



October 15, 2002

Mr. Vernon A. Williams
Office of the Secretary
Surface Transportation Board
1925 K Street NW
Washington DC 20423

206437

**STANDARD TERMINAL RAILROAD
of NEW JERSEY, INCORPORATED**

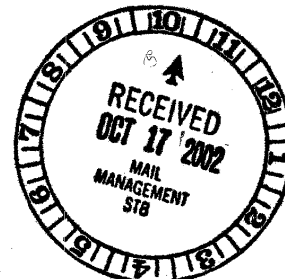
P.O. Box 662
Rocky Hill, NJ 08553

Telephone 609-633-0356
Telecorder 609-633-0192

ENTERED
Office of Proceedings

OCT 17 2002

Part of
Public Record



Re: In the Matter of Morristown and Erie Railway Company
Authority to Operate the Somerset Terminal Railroad Corporation
Finance Docket No. FD-34267
Request for a Stay of Proceedings

Dear Mr. Williams;

The undersigned is the Chief Operating Officer of the Standard Terminal Railroad of New Jersey, a non-carrier incorporated under the laws of the State of New Jersey.

On July 16th, 2002 Standard Terminal Railroad ("Standard"), Somerset Terminal Railroad Corporation (Somerset), Eastern Railroad Investment Corporation ("Eastern") (the parent company of Somerset Terminal), Joseph C. Horner ("Horner"), and Bridgewater Resources ("BRP") entered into a Settlement Agreement in order to resolve claims resulting from Somerset's failure to meet its obligations under a Land Use Agreement entered into by Somerset and Horner, and certain other claims against Somerset. In Paragraph 4 of the Settlement agreement Somerset relinquished all rights conveyed by the Land Use Agreement and stipulated to its failure to perform or comply with the terms of the agreement. A copy of the settlement is attached as Exhibit "A"

Further, on July 16th, 2002 Somerset conveyed by deed to Joseph Horner the title to the railroad bridge over the Raritan River and the easement over certain properties of Horner which had been conveyed by Horner to Somerset on December 14th, 2000 though backdated to May 1st, 2000. L: Somerset provided a second, properly jurated, set of deeds to Mr. J. Timothy Campbell on July 18th, 2002. These deeds were recorded in the Somerset County Clerk's office on August 13th, 2002. Copies of the deeds from Somerset to Horner are attached as Exhibits "B-1" through "B-4" Copies of the original deeds from Horner to Somerset and the Land Use Agreement are attached as Exhibits "C-1" through "C-3".

The deeds returning the property and the Settlement Agreement were signed by Edward M. Fink, who was at the time the Chairman of the Board of Somerset and President of Eastern.

On July 26th, 2002 Horner conveyed the easement to Standard. On July 27th, Horner conveyed the bridge to Standard. These deeds were recorded in the Somerset County Clerk's office on August 13th, 2002. Copies are attached as Exhibits "D-1" and "D-2".

On or about August 1st, 2002 Mr. Fink was relieved of his duties and on September 3rd, 2002 the new management of Somerset filed an Order to Show Cause in the Superior Court of the State of New Jersey, Chancery Division, County of Somerset, against Horner and Standard,

Michael E. Allen
Chief Operating Officer

meallen@juno.com
wralenassoc@earthlink.net

**Standard Terminal Railroad of New Jersey
P.O. Box 662 Rocky Hill, NJ 08553**

asking that the deeds transferring the bridge and the easement be declared null and void. This action was returnable on October 24th, 2002. A copy of the order and the summons are attached as Exhibits "E-1" and "E-2".

On October 3rd, 2002 an order granting removal to the United States District Court for the District of New Jersey and referring the matter to the United States Bankruptcy Court for the District of New Jersey was entered, said order having been signed by the Honorable Anne E. Thompson, United States District Judge on September 30th, 2002. (Civil Action No. 3:02cv04524 Somerset Terminal Railroad Corporation v. Joseph Horner, Standard Terminal Railroad of New Jersey, Inc.) The case referenced in the order is pending Chapter 11 proceeding captioned Bridgewater Resources, Inc. Bankruptcy Case Number 00-60057(WHG). A hearing on this action is currently scheduled for October 22nd, 2002. A copy of the Order is attached as Exhibit "F".

Somerset was granted Class III Carrier status by Finance Docket 33999, served on February 13, 2001. Since that time Somerset has not operated on or across the property, has handled none of the traffic originating there, and has derived no known revenue from any traffic originating, terminating or traversing the property. The sole physical connection is with Norfolk Southern on the Royce Running Track. There is no direct access to Manville Yard. It is the belief of the undersigned that Somerset has not entered into any commercial or interchange agreements with CSX or Norfolk Southern, nor are there any agreements to establish a physical connection with either CSX or with New Jersey Transit.

The question of the ownership of the property is not within the purview of the Surface Transportation Board and properly belongs in the courts. As the Morristown and Erie Railway Company Notice is dependent upon Somerset having possession both of the easement and title to the bridge, and since that is a question that is currently before the courts, the Board should not rule on the Notice until such time as the question has been resolved.

Further, Standard reserves the right to file objections to the granting of the Exemption since the Notice by the Morristown and Erie states that Somerset has conveyed rights which Somerset does not currently possess, and since Somerset has demonstrated, by the filing of the action in Chancery that it knows it does not possess such rights, including the possession of the easement and ownership of the bridge, the Notice contains false and/or misleading information and should be considered void ab initio. Notwithstanding the above, no allegation is made by, or should be inferred from, this filing that either Mr. Gordon Fuller of the Morristown and Erie Railway Company or John Fiorilla, Esq. have knowingly submitted false or misleading information to the board.

Wherefore the undersigned asks that all action on the instant Notice by the Morristown and Erie Railway be stayed pending action by the court.

Sincerely;



Michael E. Allen
Standard Terminal Railroad
of New Jersey, Inc.

Mr. Vernon Williams
Surface Transportation Board

10/15/02
Page 2 of 4

**Standard Terminal Railroad of New Jersey
P.O. Box 662 Rocky Hill, NJ 08553**

Enclosures: 1. See attached exhibit list
2. 10 copies of the letter and exhibits

Copies of this letter and the exhibits have been served upon:

Richard Trenk, Esq. E-Mail and Regular Mail
Booker, Rabinowitz, Trenk, Lubetkin, Tully, DiPasquale, & Webster, PC
100 Executive Drive, Suite 100
West Orange, NJ 07062-8800
Counsel For Joseph Horner

John Fiorilla, Esq. Certified Mail
Watson, Stevens, Fiorilla, & Rutter, LLP
390 George Street, P.O. Box 1185
New Brunswick, NJ 08903
Counsel for the Morristown and Erie Railway

Somerset Terminal Railroad Corporation Certified Mail
568 Central Avenue
Bridgewater, NJ 08807

Jonathan M. Broder, Esq. Regular Mail
Conrail
2001 Market Street 16th Floor
Philadelphia, PA
19103

**Standard Terminal Railroad of New Jersey
P.O. Box 662 Rocky Hill, NJ 08553**

October 14, 2002

**Re: In the Matter of Morristown and Erie Railway Company
Authority to Operate the Somerset Terminal Railroad Corporation
Finance Docket No. FD- 34267
Request for a Stay of Proceedings**

Index to Exhibits

| | |
|--------------|---|
| Exhibit A | Settlement Agreement |
| Exhibit B-1 | Easement: Somerset to Horner 1 |
| Exhibit B-2 | Easement: Somerset to Horner 2 |
| Exhibit B-3 | Deed to Bridge: Somerset to Horner 1 |
| Exhibit B-4: | Deed to Bridge: Somerset to Horner 2 |
| Exhibit C-1 | Easement: Horner to Somerset |
| Exhibit C-2 | Deed to Bridge: Horner to Somerset |
| Exhibit C-3 | Land Use Agreement: Horner and Somerset |
| Exhibit D-1 | Easement: Horner to Standard |
| Exhibit D-2 | Deed to Bridge: Horner to Standard |
| Exhibit E-1 | Show Cause Order |
| Exhibit E-2 | Summons |
| Exhibit F | Removal Order |

**Mr. Vernon Williams
Surface Transportation Board**

**10/15/02
Page 4 of 4**

EXHIBIT A

AGREEMENT

July 16, 2002

This Agreement dated July 16, 2002 between Standard Terminal Railroad of New Jersey, Inc. ("STRNS"), 8 First Street, Rumson, New Jersey 07760, and Somerset Terminal ^{Bridgewater, New Jersey} ~~Inc.~~ ^{Eastern Rail Road Investment Corporation ("Eastern")} ~~Inc.~~ ("Somerset"), 51 Jamaica Street, Edison, New Jersey 08820, sets forth all the agreements between the parties.

The Parties Agree as follows:

1. STRNS will fund Somerset and Eastern Rail Investment Corporation ^("Eastern") as set forth below the following amounts, in consideration for Somerset and Eastern settling with STRNS any claims it would have ^{had} regarding ^{rail} operations for Bridgewater Resources Inc. on any properties owned by Joseph Horner at 15 Polhemus Lane, Bridgewater, New Jersey or any contiguous properties owned by Joseph Horner, including but not limited to a certain railway bridge crossing The Raritan River and bisecting The Joseph Horner properties described above as being 15 Polhemus Lane, Bridgewater, New Jersey. By accepting the payments of STRNS, Eastern and Somerset release forever any and all claims it may have or had as against STRNS or Joseph Horner regarding rail operations, land use agreements, easements or rights

of way and The ownership of The bridge across The Raritan River at 15 Polhemus Lane, Bridgewater, New Jersey.

2. IN a separate Quitclaim Deed, Somerset quitclaims to Joseph Horner all right, title and interest in and to the railway bridge across The Raritan River at 15 Polhemus Lane, Bridgewater, New Jersey for \$1 and other valuable consideration.

3. IN a separate Quitclaim Deed, Somerset quitclaims to Joseph Horner all right, title and interest in and to an easement granted by ^{Joseph} Horner to Somerset over a parcel owned by Joseph Horner and commonly known as The "Rail Spur Parcel" or Lot 1 Block 6101 which is also known as and identified as Line Code 0326, a portion of The line or railroad known as Reading Company New York Branch (a.k.a. The Raritan Valley Connection Track) situate partly in The Borough of Manville and partly in The Township of Bridgewater, County of Somerset and State of New Jersey for \$1 and other valuable consideration.

4. Somerset also will provide Joseph Horner with a termination of its Land Use Agreement

in That Somerset currently owes Joseph Horner or BRI in excess of \$70,000.00 and also agrees That in certain ways it has failed to ~~comply~~^{perform} with certain terms of the Land Use Agreement. In consideration of the Termination by Somerset, Joseph Horner and BRI release Somerset for any and all claims they have against Somerset or Eastern.

5. STRNS shall pay Eastern The following in consideration of The above performance by Somerset and Eastern and settlement between STRNS, Eastern and Somerset:

5.1 \$6,000.00 to Eastern Rail Investment as working capital;

5.2 \$500.00 to Eastern Rail Investment as reimbursement for equipment expenses;

5.3 \$2,450.00 for transportation expenses;

5.4 STRNS will negotiate and pay a reimbursement to Waste Solutions Group of Somerset up to \$15,000.00 of advances for expenses;

5.5 Somerset agrees to immediately terminate and return the lease of a locomotive to Mr. Ken Bitten and his company for a cost not to exceed \$2,450.00. to be paid to CSX to return the equipment to Ken Bitten.

6. STRNS agrees to obtain immediately upon execution of This Agreement, The quitclaims to ^{Joseph} Horner set forth above and The Termination Agreement of The Land Use Agreement between Somerset and Joseph Horner and BRI, a full release of any and all claims of Michael Allen against Somerset or Eastern for salaries, wages or personal services claims or consulting claims by any entity Michael Allen owns, controls or works for that performed for Somerset or Eastern at any time. In addition Michael Allen will surrender all shares owned or outstanding to him in Somerset or Eastern, said shares of stock to be cancelled by Somerset or Eastern but returned to Michael Allen as cancelled, null and void for his retention. Somerset and Eastern shall pay \$1 to Michael Allen for The shares of stock owned by Michael Allen.

7. As set forth above This Agreement between STRNS and Eastern and Somerset releases any and all claims either or any of The parties had or have in regard to The rail operations or properties at 15 Polhemus Lane, Bridgewater, New Jersey. This release is for

all known or unknown causes or claims between the parties to this Agreement.

This Agreement is to be construed under the Laws of the State of New Jersey.

This Agreement may only be amended by Agreement in writing by all the parties hereto.

Agreed:

J.T. CAMPBELL, PRESIDENT

By: J.T. Campbell, President

STANDARD TERMINAL RAILROAD OF NEW JERSEY

By: John H. Full, Chairman of Board

SOMERSET TERMINAL RAILROAD CORPORATION

By: John H. Full, President

EASTERN RAILROAD INVESTMENT CORPORATION

By: Joseph Horner

JOSEPH HORNER

~~JOSEPH HORNER, OWNER~~

By: _____

~~BRIDGEWATER RESOURCES, INC.~~

Attachments: Form of Quitclaims

EXHIBIT B - 1

QUITCLAIM DEED

THIS DEED IS MADE ON July 16, 2002.

BETWEEN Somerset Terminal Railroad, having a principal place of business at Jamaica, Edison, New Jersey, hereinafter referred to as the Grantor, and Joseph Horner, having a principal place of business at 15 Polhemus Lane, Bridgewater, New Jersey, hereinafter referred to as Grantee.

WITNESSETH, that the said Grantor, for an in consideration of the sum of ONE DOLLAR (\$1.00) lawful money of the United States of America and other good and valuable consideration, unto him well and truly paid by the said Grantee, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, Grantor does by these presents, remise, release and forever quitclaim unto the said Grantee, their heirs or successors and assigns, all right, title and interest of said Grantor of, in and to the following described Premises:

ALL THAT CERTAIN easement to operate rail operations on Lot 1 Block 6101, which is a portion of the line or railroad known as the Reading Company New York Branch (a.k.a. the Raritan Valley Connection Track) and identified as Line Code 0326, situate partly in the Borough of Manville and partly in the Township of Bridgewater, County of Somerset and State of New Jersey.

TOGETHER with the Grantor's right, title and interest in and to the easement on the Bridge, its piers, abutments and appurtenances extending from the top of the bank at the southerly bank of the Raritan River, across the Raritan River to the top of the bank at the northerly bank of the Raritan River.

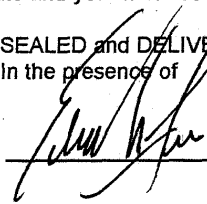
BEING an easement which Joseph Horner, an individual doing business at 15 Polhemus Lane, Bridgewater, New Jersey, granted and conveyed to Somerset Terminal Railroad by Deed, dated _____, 2002, which Deed was recorded in the Somerset County Clerk's Office on _____, 2002 in Deed Book ____ at page ____ et seq.

UNDER and Subject, however, to any easements or agreements of records or otherwise affecting the premises conveyed, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems and their appurtenances now existing and remaining in, on, under, over, across and through the Premises conveyed, together with the right to maintain, repair, renew, replace, use and remove same.

THIS INSTRUMENT is executed and delivered by Grantor, and is accepted by Grantee, subject to the covenants set forth below, which shall be deemed part of the consideration of this conveyance and which shall run with the land and be binding upon, and inure to the benefit of the respective heirs, legal representatives, successors and assigns of Grantor and Grantee. TO HAVE AND TO HOLD, all and singular the said Premises, together with the track, bridge and their appurtenances, thereon, unto the Grantee, their heirs or successors and assigns of the Grantee, forever, EXCEPTING and RESERVING and UNDER and SUBJECT and PROVIDED as aforesaid.

IN WITNESS WHEREOF, the Grantor has caused this Indenture to be signed in his name, the date and year first above written

SEALED and DELIVERED
In the presence of

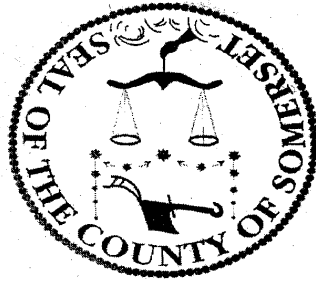


Edward Fink,
Somerset Terminal Railroad

BE IT REMEMBERED, that on this _____ day of _____, 2002, before me, the subscriber, An Attorney at Law of New Jersey, personally appeared Edward Fink who I am satisfied is the person who has signed the within Instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed; and that the full and actual consideration paid for the transfer of title to realty evidenced by the within Instrument as such consideration is defined in P.L. 1968, C.49, Sec. 1(C), is One Dollar (\$1.00)

An Attorney At Law of New Jersey

EXHIBIT B-2



R. PETER WIDIN
SOMERSET COUNTY CLERK
20 GROVE STREET
P.O. BOX 3000
SOMERVILLE, NJ 08876-1262

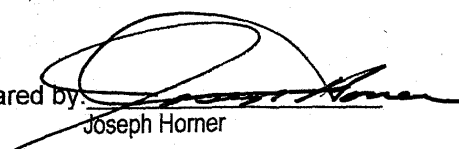
Recorded: 08/12/2002 12:18:05 PM
Book: OPR 5188 Page: 27-29
Instrument No.: 2002073380
DEEDTRNS 3 PGS \$35.00

Recorder: PREMPEH

DO NOT DISCARD



2002073380

Prepared by: 
Joseph Horner

QUITCLAIM DEED

THIS DEED IS MADE ON July 18, 2002.

BETWEEN Somerset Terminal Railroad, having a principal place of business at Jamaica, Edison, New Jersey, hereinafter referred to as the Grantor, and Joseph Horner, having a principal place of business at 15 Polhemus Lane, Bridgewater, New Jersey, hereinafter referred to as Grantee.

WITNESSETH, that the said Grantor, for an in consideration of the sum of ONE DOLLAR (\$1.00) lawful money of the United States of America and other good and valuable consideration, unto him well and truly paid by the said Grantee, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, Grantor does by these presents, remise, release and forever quitclaim unto the said Grantee, their heirs or successors and assigns, all right, title and interest of said Grantor of, in and to the following described Premises:

ALL THAT CERTAIN easement to operate rail operations on Lot 1 Block 6101, which is a portion of the line or railroad known as the Reading Company New York Branch (a.k.a. the Raritan Valley Connection Track) and identified as Line Code 0326, situate partly in the Borough of Manville and partly in the Township of Bridgewater, County of Somerset and State of New Jersey.

TOGETHER with the Grantor's right, title and interest in and to the easement on the Bridge, its piers, abutments and appurtenances extending from the top of the bank at the southerly bank of the Raritan River, across the Raritan River to the top of the bank at the northerly bank of the Raritan River.

BEING an easement which Joseph Horner, an individual doing business at 15 Polhemus Lane, Bridgewater, New Jersey, granted and conveyed to Somerset Terminal Railroad by Deed, dated May 1, 2002, which Deed was recorded in the Somerset County Clerk's Office on May 8, 2002 in Deed Book 2351 at page 242 et seq.

UNDER and Subject, however, to any easements or agreements of records or otherwise affecting the premises conveyed, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems and their appurtenances now existing and remaining in, on, under, over, across and through the Premises conveyed, together with the right to maintain, repair, renew, replace, use and remove same.

R. PETER WIDIN COUNTY CLERK
SOMERSET COUNTY, NJ
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BK: 5188 PG: 27-29
INSTRUMENT # 2002073380



2002073380

R. PETER WIDIN COUNTY CLERK
SOMERSET COUNTY, NJ
2002 JUL 29 04:05:10 PM
BK: 5181 PG: 3236-3238
CONS: \$100.00 EXEMPT: S
NJ XFER FEE: \$1.75
INSTRUMENT # 2002069155



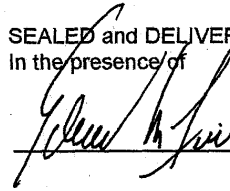
2002069155

20 \$35.00 check

THIS INSTRUMENT is executed and delivered by Grantor, and is accepted by Grantee, subject to the covenants set forth below, which shall be deemed part of the consideration of this conveyance and which shall run with the land and be binding upon, and inure to the benefit of the respective heirs, legal representatives, successors and assigns of Grantor and Grantee. TO HAVE AND TO HOLD, all and singular the said Premises, together with the track, bridge and their appurtenances, thereon, unto the Grantee, their heirs or successors and assigns of the Grantee, forever, EXCEPTING and RESERVING and UNDER and SUBJECT and PROVIDED as aforesaid.

IN WITNESS WHEREOF, the Grantor has caused this Indenture to be signed in his name, the date and year first above written

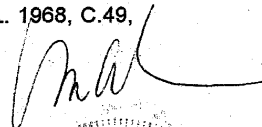
SEALED and DELIVERED
In the presence of



Edward Fink,
Somerset Terminal Railroad

BE IT REMEMBERED, that on this 18th day of July, 2002, before me, the subscriber, An ~~Attorney At Law~~ ^{Notary Public} of New Jersey, personally appeared Edward Fink who I am satisfied is the person who has signed the within Instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed; and that the full and actual consideration paid for the transfer of title to realty evidenced by the within Instrument as such consideration is defined in P.L. 1968, C.49, Sec. 1(C), is One Dollar (\$1.00)

MAE KIM
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 4, 2005


Mae Kim
An Attorney At Law of New Jersey

RETURN TO:

J. TIMOTHY CAMPBELL ESQ
M.R. ALLEN ASSOCIATES
PO BOX 662
ROCKY HILL, NJ 08553

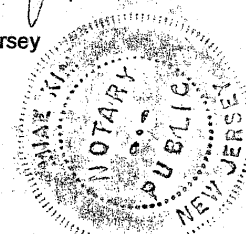


EXHIBIT B-3

QUITCLAIM DEED

THIS DEED IS MADE ON July 16, 2002.

BETWEEN Somerset Terminal Railroad, having a principal place of business at Jamaica, Edison, New Jersey, hereinafter referred to as the Grantor, and Joseph Horner, having a principal place of business at 15 Polhemus Lane, Bridgewater, New Jersey, hereinafter referred to as Grantee.

WITNESSETH, that the said Grantor, for an in consideration of the sum of ONE DOLLAR (\$1.00) lawful money of the United States of America and other good and valuable consideration, unto him well and truly paid by the said Grantee, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, Grantor does by these presents, remise, release and forever quitclaim unto the said Grantee, their heirs or successors and assigns, all right, title and interest of said Grantor of, in and to the following described Premises:

ALL THAT CERTAIN Railroad Bridge which is a portion of the line or railroad known as the Reading Company New York Branch (a.k.a. the Raritan Valley Connection Track) and identified as Line Code 0326, situate partly in the Borough of Manville ~~and partly in the~~ Township of Bridgewater, County of Somerset and State of New Jersey.

TOGETHER with the Grantor's right, title and interest in and to the Bridge, ~~as~~ piers, abutments and appurtenances extending from the top of the bank at the southerly bank of the Raritan River, across the Raritan River to the top of the bank at the ~~southerly~~ southerly bank of the Raritan River.

TOGETHER with Grantor's right, title and interest, if any, to all lands lying under the water of the South Branch of the Raritan River, as it may abut the neighboring properties, and including any land containing wing walls and bridge structure between Block 309, Lot 3 in Manville Borough and Block 6102, Lot 1 in Bridgewater Township, as if the same were a part of the above description.

BEING a portion of the premises which Joseph Horner, an individual doing business at 15 Polhemus Lane, Bridgewater, New Jersey conveyed to Somerset Terminal Railroad by Deed, dated _____, 2002, which Deed was recorded in the Somerset County Clerk's Office on _____, 2002 in Deed Book ____ at page ____ et seq.

UNDER and Subject, however, to (1) whatever rights the public may have to the use of the bridge, (2) any streams, rivers, creeks and water ways passing under, across or through the Premises, and any rights the State of New Jersey, the Borough of Manville and the Township of Bridgewater may have in and to the Raritan River passing through under the bridge, and (3) any easements or agreements of records or otherwise affecting the premises conveyed, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems and their appurtenances now existing and remaining in, on, under, over, across and through the Premises conveyed, together with the right to maintain, repair, renew, replace, use and remove same.

THIS INSTRUMENT is executed and delivered by Grantor, and is accepted by Grantee, subject to the covenants set forth below, which shall be deemed part of the consideration of this conveyance and which shall run with the land and be binding upon, and inure to the benefit of the respective heirs, legal representatives, successors and assigns of Grantor and Grantee. Grantee hereby knowingly, willingly and voluntarily waives the benefit of any rule, law, custom, or statute of the State of New Jersey now or hereafter in force with respect to the covenants set forth below.

(1) Grantee hereby forever releases Grantor from all liability for any loss or damage, direct or consequential, to the bridge and the adjoining premises and to any buildings or improvements now or hereafter erected thereon and to the contents thereof, which may be caused by or arise from the normal operation, maintenance, or repair of Grantee's railroad, or which may be caused by or arise from vibration resulting from the normal operation, maintenance, repair or renewal thereof.

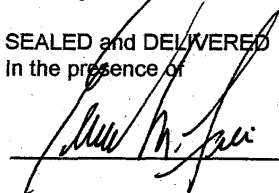
(2) Grantee hereby forever releases Grantor from any liability for any loss or damage, direct or consequential, which may be caused by or arise from the sliding, shifting or movement of any part of any adjoining embankment of the premises conveyed by Grantor, or by the drainage or seepage of water therefrom.

(3) Grantor shall not be liable or obligated to provide lateral support for the surfaces of the adjoining Premises, and Grantee waives all rights to ask for, demand, recover or receive any relief or compensation for any damage that may be caused by the sliding, shifting, or movement of any part of the slope or embankment supporting the adjoining premises. Grantee shall use due diligence to prevent the drainage or seepage of water, or the precipitation of snow or ice, or anything whatever, from the Premises onto under or upon the adjoining lands of Grantor.

TO HAVE AND TO HOLD, all and singular the said Premises, together with the track, bridge and their appurtenances, thereon, unto the Grantee, their heirs or successors and assigns of the Grantee, forever, EXCEPTING and RESERVING and UNDER and SUBJECT and PROVIDED as aforesaid.

IN WITNESS WHEREOF, the Grantor has caused this Indenture to be signed in his name, the date and year first above written

SEALED and DELIVERED
In the presence of

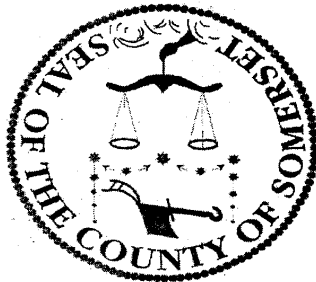


Edward Fink,
Somerset Terminal Railroad

BE IT REMEMBERED, that on this _____ day of _____, 2002, before me, the subscriber, An Attorney at Law of New Jersey, personally appeared Edward Fink who I am satisfied is the person who has signed the within Instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed; and that the full and actual consideration paid for the transfer of title to realty evidenced by the within Instrument as such consideration is defined in P.L. 1968, C.49, Sec. 1(C), is One Dollar (\$1.00)

An Attorney At Law of New Jersey

EXHIBIT B-4



R. PETER WIDIN
SOMERSET COUNTY CLERK
20 GROVE STREET
P.O. BOX 3000
SOMERVILLE, NJ 08876-1262

Recorded: 08/12/2002 12:18:05 PM
Book: OPR 5188 Page: 30-32
Instrument No.: 2002073381
DEEDTRNS 3 PGS \$35.00

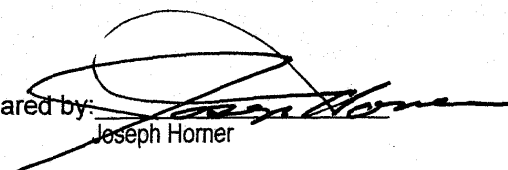
Recorder: PREMPEH

DO NOT DISCARD



2002073381

29 p \$135.00 check

Prepared by: 
Joseph Horner

QUITCLAIM DEED

THIS DEED IS MADE ON July 18, 2002.

BETWEEN Somerset Terminal Railroad, having a principal place of business at Jamaica, Edison, New Jersey, hereinafter referred to as the Grantor, and Joseph Horner, having a principal place of business at 15 Polhemus Lane, Bridgewater, New Jersey, hereinafter referred to as Grantee.

WITNESSETH, that the said Grantor, for an in consideration of the sum of ONE DOLLAR (\$1.00) lawful money of the United States of America and other good and valuable consideration, unto him well and truly paid by the said Grantee, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, Grantor does by these presents, remise, release and forever quitclaim unto the said Grantee, their heirs or successors and assigns, all right, title and interest of said Grantor of, in and to the following described Premises:

ALL THAT CERTAIN Railroad Bridge which is a portion of the line or railroad known as the Reading Company New York Branch (a.k.a. the Raritan Valley Connection Track) and identified as Line Code 0326, situate partly in the Borough of Manville and partly in the Township of Bridgewater, County of Somerset and State of New Jersey.

TOGETHER with the Grantor's right, title and interest in and to the Bridge, its piers, abutments and appurtenances extending from the top of the bank at the southerly bank of the Raritan River, across the Raritan River to the top of the bank at the northerly bank of the Raritan River.

TOGETHER with Grantor's right, title and interest, if any, to all lands lying under the water of the South Branch of the Raritan River, as it may abut the neighboring properties, and including any land containing wing walls and bridge structure between Block 309, Lot 3 in Manville Borough and Block 6102, Lot 1 in Bridgewater Township, as if the same were a part of the above description.

BEING a portion of the premises which Joseph Horner, an individual doing business at 15 Polhemus Lane, Bridgewater, New Jersey conveyed to Somerset Terminal Railroad by Deed, dated May 1, 2002, which Deed was recorded in the Somerset County Clerk's Office on May 8, 2002 in Deed Book 2357 at page 241 et seq.

UNDER and Subject, however, to (1) whatever rights the public may have to the use of the bridge, (2) any streams, rivers, creeks and water ways passing under, across or through the Premises, and any rights the State of New Jersey, the Borough of Manville and the Township of Bridgewater may have in and to the Raritan River passing through under the bridge, and (3) any easements or agreements of records or otherwise affecting the premises conveyed, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems and their appurtenances now existing and remaining in, on, under, over, across and through the Premises conveyed, together with the right to maintain, repair, renew, replace, use and remove same.

R. PETER WIDIN COUNTY CLERK
SOMERSET COUNTY, NJ
2002 JUL 22 04:05:10 PM
BK: 518 PG: 3239-3241
CONS: \$100.00 EXEMPT: S
NJ XFER FEE: \$1.75
INSTRUMENT # 2002069156



R. PETER WIDIN COUNTY CLERK
SOMERSET COUNTY, NJ
2002 JUL 12 12:30:32 PM
BK: 518 PG: 3239-3241
INSTRUMENT # 2002073381



THIS INSTRUMENT is executed and delivered by Grantor, and is accepted by Grantee, subject to the covenants set forth below, which shall be deemed part of the consideration of this conveyance and which shall run with the land and be binding upon, and inure to the benefit of the respective heirs, legal representatives, successors and assigns of Grantor and Grantee. Grantee hereby knowingly, willingly and voluntarily waives the benefit of any rule, law, custom, or statute of the State of New Jersey now or hereafter in force with respect to the covenants set forth below.

(1) Grantee hereby forever releases Grantor from all liability for any loss or damage, direct or consequential, to the bridge and the adjoining premises and to any buildings or improvements now or hereafter erected thereon and to the contents thereof, which may be caused by or arise from the normal operation, maintenance, or repair of Grantee's railroad, or which may be caused by or arise from vibration resulting from the normal operation, maintenance, repair or renewal thereof.

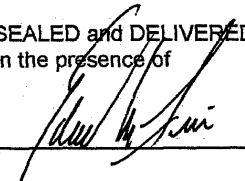
(2) Grantee hereby forever releases Grantor from any liability for any loss or damage, direct or consequential, which may be caused by or arise from the sliding, shifting or movement of any part of any adjoining embankment of the premises conveyed by Grantor, or by the drainage or seepage of water therefrom.

(3) Grantor shall not be liable or obligated to provide lateral support for the surfaces of the adjoining Premises, and Grantee waives all rights to ask for, demand, recover or receive any relief or compensation for any damage that may be caused by the sliding, shifting, or movement of any part of the slope or embankment supporting the adjoining premises. Grantee shall use due diligence to prevent the drainage or seepage of water, or the precipitation of snow or ice, or anything whatever, from the Premises onto under or upon the adjoining lands of Grantor.

TO HAVE AND TO HOLD, all and singular the said Premises, together with the track, bridge and their appurtenances, thereon, unto the Grantee, their heirs or successors and assigns of the Grantee, forever, EXCEPTING and RESERVING and UNDER and SUBJECT and PROVIDED as aforesaid.

IN WITNESS WHEREOF, the Grantor has caused this Indenture to be signed in his name, the date and year first above written

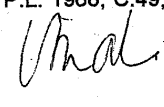
SEALED and DELIVERED
In the presence of


Edward Fink,
Somerset Terminal Railroad

BE IT REMEMBERED, that on this 18th day of July, 2002, before me, the subscriber, ~~An Attorney at Law~~ ^{Notary Public} of New Jersey, personally appeared Edward Fink who I am satisfied is the person who has signed the within Instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed; and that the full and actual consideration paid for the transfer of title to realty evidenced by the within Instrument as such consideration is defined in P.L. 1968, C.49, Sec. 1(C), is One Dollar (\$1.00)

MAE KIM

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 4, 2005


~~Notary Public~~
An Attorney At Law of New Jersey

RETURN TO:

J. TIMOTHY CAMPBELL USA
W.P. ALLEN ASSOCIATES
PO BOX 662
ROCKY HILL NJ 08553

EXHIBIT C-1

PARTIAL EXEMPTION
(c. 176, P.L. 1975)

To be recorded with Deed pursuant to c. 49, P.L. 1968, as amended by c. 225, P.L. 1985 (N.J.S.A. 46:15-5 et seq.)

STATE OF NEW JERSEY
COUNTY OF Somerset

SS.

| | |
|------------------------------------|---------------|
| FOR RECORDER'S USE ONLY | |
| Consideration \$ <u>1.00</u> | By <u>BSB</u> |
| Realty Transfer Fee \$ <u>5.00</u> | |
| Date <u>5-1-01</u> | |

* Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (See Instructions #3, 4 and 5 on reverse side.)

Deponent Joseph C. Harner, being duly sworn according to law upon his/her oath
deposes and says that he/she is the Grantor in a deed dated 5/1/2000
(State whether Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.)
transferring real property identified as Block No. 309, 6102 Lot No. 3, 1
located at Manville Borough and Bridgewater Township, respectively
Somerset County and annexed hereto.

(2) CONSIDERATION (See Instruction #6.)

Deponent states that, with respect to deed hereto annexed, the actual amount of money and the monetary value of any other thing of value constituting the entire compensation paid or to be paid for the transfer of title to the lands, tenements or other realty, including the remaining amount of any prior mortgage to which the transfer is subject or which is to be assumed and agreed to be paid by the grantee and any other lien or encumbrance thereon not paid, satisfied or removed in connection with the transfer of title is \$ 1.00.

(3) FULL EXEMPTION FROM FEE Deponent claims that this deed transaction is fully exempt from the Realty Transfer Fee imposed by c. 49, P.L. 1968, for the following reason(s): Explain in detail. (See Instruction #7.) Mere reference to exemption symbol is not sufficient.

(a) For a consideration of less than \$100.00

(4) PARTIAL EXEMPTION FROM FEE

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. (See Instructions #8 and #9.)

Deponent claims that this deed transaction is exempt from the increased portion of the Realty Transfer Fee imposed by c. 176, P.L. 1975 for the following reason(s):

- | | |
|---|---|
| A) SENIOR CITIZEN (See Instruction #8.) <input type="checkbox"/> Grantor(s) 62 yrs. of age or over. <input type="checkbox"/> One- or two-family residential premises. | <input type="checkbox"/> Owned and occupied by grantor(s) at time of sale. <input type="checkbox"/> No joint owners other than spouse or other qualified exempt owners. |
| B) BLIND (See Instruction #8.) <input type="checkbox"/> Grantor(s) legally blind. <input type="checkbox"/> One- or two-family residential premises. <input type="checkbox"/> Owned and occupied by grantor(s) at time of sale. <input type="checkbox"/> No joint owners other than spouse or other qualified exempt owners. | DISABLED (See Instruction #8.) <input type="checkbox"/> Grantor(s) permanently and totally disabled. <input type="checkbox"/> One- or two-family residential premises. <input type="checkbox"/> Receiving disability payments. <input type="checkbox"/> Owned and occupied by grantor(s) at time of sale. <input type="checkbox"/> Not gainfully employed. <input type="checkbox"/> No joint owners other than spouse or other qualified exempt owners. |
| * IN THE CASE OF HUSBAND AND WIFE, ONLY ONE GRANTOR NEED QUALIFY. | |
| C) LOW AND MODERATE INCOME HOUSING (See Instruction #8.) <input type="checkbox"/> Affordable According to HUD Standards. <input type="checkbox"/> Meets Income Requirements of Region. | <input type="checkbox"/> Reserved for Occupancy. <input type="checkbox"/> Subject to Rental Controls. |
| D) NEW CONSTRUCTION (See Instruction #9.) <input type="checkbox"/> Entirely new improvement. <input type="checkbox"/> Not previously used for any purpose. | <input type="checkbox"/> Not previously occupied. |

Deponent makes this Affidavit to induce the County Clerk or Register of Deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of c. 49, P.L. 1968.

Subscribed and sworn to before me
this 1st day of May, 2000

Notary Public
Notary Public for State of N.J.

Joseph C. Harner
15 Palmdale Lane
Bridgewater, N.J. 08807
Address of Deponent

Joseph C. Harner
15 Palmdale Lane
Bridgewater, N.J. 08807
Address of Grantor at Time of Sale

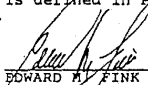
| | | | |
|--|---------------|---------------|-----------------|
| FOR OFFICIAL USE ONLY This space for use of County Clerk or Register of Deeds. | | | |
| Instrument Number | <u>17311</u> | County | <u>Somerset</u> |
| Deed Number | | Book | |
| Deed Dated | <u>5-1-01</u> | Date Recorded | <u>5-8-01</u> |

IMPORTANT - BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE HEREOF. This format is prescribed by the Director, Division of Taxation in the Department of the Treasury, as required by law, and may not be altered without the approval of the Director.

ORIGINAL - White copy to be retained by County.
DUPLICATE - Yellow Copy to be forwarded by County to Division of Taxation on partial exemption from fee (N.J.A.C. 18:16 - 8.12)
TRIPPLICATE - Pink Copy is your file copy.

BK23516551

BE IT REMEMBERED, that on this 1st day of May, 2000, before me, the subscriber, An Attorney at Law of New Jersey, personally appeared Joseph C. Horner who I am satisfied is the person who has signed the within Instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed; and that the full and actual consideration paid for the transfer of title to realty evidenced by the within Instrument as such consideration is defined in P.L. 1968, C.49, Sec. 4(c), is One Dollar (\$1.00).


EDWARD M. FINK
An Attorney at Law of New Jersey

Record & Return to: ✓

Edward M. Fink, Esq.
51 Jamaica Street
Edison, New Jersey 08820

6 Pg 2 & 14 B55

Prepared By: 
Edward M. Fink, Esq.

DEED OF EASEMENT

THIS DEED OF EASEMENT, made the 1st day of May, 2000

By and Between

JOSEPH HORNER

Having a principal place of business at 15 Polhemus Lane,
Bridgewater, New Jersey, 08807, hereinafter referred to as the
Grantor,

and

SOMERSET TERMINAL RAILROAD CORP.

A corporation organized and existing under the laws of the
State of New Jersey having its principal place of business at 350
Central Avenue, Bridgewater, New Jersey 08807, hereinafter
referred to as the Grantee.

W I T N E S S E T H:

WHEREAS, Grantor and Grantee (the "Parties") are entering
into an agreement for the operation of railroad facilities in the
Somerset County, New Jersey area; and

WHEREAS, Grantor wishes to grant to Grantee a certain
easement with respect to his property; and

WHEREAS, as used herein, the following additional terms
shall have the meaning specified in this recital:

(1) "Rail Service" shall mean the operation and
transport by Grantee, its successors in interest or its
assignees, independent contractors or agents, in interstate or
intrastate commerce, of contract or common carrier freight
service, including but not limited to the operation of freight
trains, locomotives, switching movements and other on-track
equipment, the contract or common carrier transport of
passengers, including but not limited to the operation of
passenger trains, locomotives, and other on-track equipment, and
the movement of diverse railroad equipment.

NOW THEREFORE, the said Grantor, for and in consideration of the sum of ONE DOLLAR (\$1.00), unto him well and truly paid by the said Grantee, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, does by these presents grant to the Grantee:

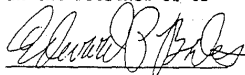
A perpetual, irrevocable, exclusive easement over Grantor's property including but not limited to his rail line identified in Exhibit A, attached hereto as a part hereof, for surface rights for operating Rail Service, provided, however, that (1) the use of such easement shall be in accordance with the Parties Land Use Agreement executed on May 1, 2000 and effective May 1, 2000, which is incorporated herein by reference and made a part hereof, and any subsequent agreement the Parties enter into which supersedes the Land Use Agreement; (2) such easement shall be exercised so as not to interfere unreasonably with Grantor's activities; and (3) such easement is assignable only to Grantee's successors and assigns which operate, either directly or through its and their respective contractors or agents, rail service or any part thereof.

All of the covenants of the Grantor and Grantee respectively shall be deemed to be real covenants and shall run with the land.

The words "Grantor" and "Grantee" used herein shall be construed as if they read "Grantors" and "Grantees", respectively, whenever the sense of this instrument so requires and, whether singular or plural, such words shall be deemed to include in all cases the successors and assigns of the respective Parties, unless the contrary is specifically indicated herein.

IN WITNESS WHEREOF, the said Grantor has caused this DEED OF EASEMENT to be duly executed the day and year first above written.

SEALED AND DELIVERED
in the Presence of Us

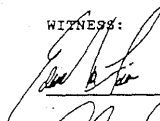
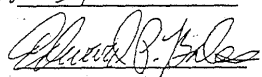


JOSEPH HORNER


JOSEPH HORNER

The Grantee joins in and accepts this Deed of Easement and agrees to be bound by its terms and conditions.

WITNESS:

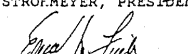



SOMERSET TERMINAL RAILROAD CORP.

By:


ERIC STROHMEYER, PRESIDENT

ATTEST:


Secretary

CORPORATE SEAL

EXHIBIT A

All that property having a width of sixty (60) feet currently known as HORNER property and designated as Lot 1 in Block 6102 on the Official Tax Map of the Township of Bridgewater, Somerset County, New Jersey and All that property having a width of eighty (80) feet currently known as HORNER property and designated as Lot 3 in Block 309 on the Official Tax Map of the Borough of Manville, Somerset County, New Jersey, formerly known as a portion of the line or railroad known as the Reading Company New York Branch (a.k.a. the Raritan Valley Connecting Track) and identified as Line Code 0326, situate partly in the Borough of Manville and partly in the Township of Bridgewater, County of Somerset and State of New Jersey, inclusive of the existing bridge traversing the Raritan River.

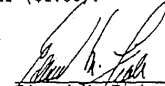
ACKNOWLEDGEMENT

STATE OF NEW JERSEY:

..ss

COUNTY OF SOMERSET :

On this 1st day of May, 2000, before me personally appeared Joseph Horner, who, being by me duly sworn, says that he is the Grantor named in the foregoing Deed of Easement, and he acknowledged that the execution of the foregoing Deed of Easement was the free act and deed of said Grantor, and that the full and actual consideration paid or to be paid in connection with this Deed of Easement, as such consideration is defined in P.L. 1968, c. 49, sec. 1(c) is one dollar (\$1.00):


Edward M. Fink
An Attorney at Law of New Jersey


ACKNOWLEDGEMENT

STATE OF NEW JERSEY:

..ss

COUNTY OF SOMERSET :

On this 1st day of May, 2000, before me personally appeared Eric Strohmeier, who, being by me duly sworn, says that he is the President of Somerset Terminal Railroad Corp., the Grantee Corporation named in the foregoing Deed of Easement, that the joinder in and acceptance of the Deed of Easement has been duly authorized by a proper resolution of the Board of Directors of said Corporation, that the seal affixed to the foregoing Deed of Easement is the proper corporate seal and was thereto affixed and the Deed of Easement was signed, sealed, joined in and accepted as and for the voluntary act and deed of said Corporation, and that the full and actual consideration paid or to be paid in connection with this Deed of Easement, as such consideration is defined in P.L. 1968, c. 49, Sec. 1(c), is one dollar (\$1.00).

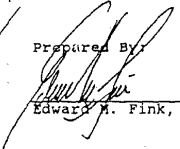

EDWARD M. FINK
An Attorney at Law of New Jersey

Record & Return to:

Edward M. Fink, Esq. ✓
51 Jamaica Street
Edison, New Jersey 08820

EXHIBIT C-2

6 P 28 CK-058
SEP

Prepared By:

Edward M. Fink, Esq.

COUNTY OF SOMERSET
CONSIDERATION 1.00
REALTY TRANSFER FEE 0.00
DATE 5-8-01 BY SSA

THIS DEED, made the 1st day of May, 2000

BETWEEN JOSEPH C. HORNER, having a principal place of business at 15 Polhemus Lane, Bridgewater, New Jersey 08807, hereinafter referred to as the Grantor, and SOMERSET TERMINAL RAILROAD CORPORATION, a corporation of the State of New Jersey, having a principal place of business at 350 Central Avenue, Bridgewater, New Jersey 08805, hereinafter referred to as Grantee.

WITNESSETH, that the said Grantor, for and in consideration of the sum of ONE DOLLAR (\$1.00) lawful money of the United States of America and other good and valuable consideration, unto him well and truly paid by the said Grantee, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, Grantor does by these presents, remise, release and forever quitclaim unto the said Grantee, their heirs or successors and assigns, all right, title and interest of said Grantor of, in and to the following described Premises:

ALL THAT CERTAIN Railroad Bridge which is a portion of the line or railroad known as the Reading Company New York Branch (a.k.a. the Raritan Valley Connecting Track) and identified as

FILED UNDER INDEXING 378
BUT BE SEE PHOTO ALMOST IDENTICAL

Line Code 0326, situate partly in the Borough of Manville and partly in the Township of Bridgewater, County of Somerset and State of New Jersey.

TOGETHER with Grantor's right, title and interest in and to the Bridge, its piers, abutments and appurtenances extending from the top of the bank at the southerly bank of the Raritan River, across the Raritan River to the top of the bank at the northerly bank of the Raritan River.

TOGETHER with Grantor's right, title and interest, if any, to all lands lying under the water of the South Branch of the Raritan River, as it may abut the neighboring properties, and including any land containing wing walls and bridge structure between Block 309, Lot 3 in Manville Borough and Block 6102, Lot 1 in Bridgewater Township, as if the same were a part of the above description.

BEING a portion of the premises which Consolidated Rail Corporation, a Corporation of the Commonwealth of Pennsylvania granted and conveyed to Joseph C. Horner by Deed, dated August 24, 1995 which Deed was recorded in the Somerset County Clerk's Office on October 20, 1995 in Deed Book 2031 at page 311 et seq.

UNDER and Subject, however, to (1) whatever rights the public may have to the use of the bridge, (2) any streams, rivers, creeks and water ways passing under, across or through the Premises, and any rights the State of New Jersey, the Borough of Manville and the Township of Bridgewater may have in and to the Raritan River passing through under the bridge, and (3) any

easements or agreements of record or otherwise affecting the premises conveyed, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems and their appurtenances now existing and remaining in, on, under, over, across and through the Premises conveyed, together with the right to maintain, repair, renew, replace, use and remove same.

THIS INSTRUMENT is executed and delivered by Grantor, and is accepted by Grantee, subject to the covenants set forth below, which shall be deemed part of the consideration of this conveyance and which shall run with the land and be binding upon, and inure to the benefit of the respective heirs, legal representatives, successors and assigns of Grantor and Grantee. Grantee hereby knowingly, willingly and voluntarily waives the benefit of any rule, law, custom, or statute of the State of New Jersey now or hereafter in force with respect to the covenants set forth below.

(1) Grantee hereby forever releases Grantor from all liability for any loss or damage, direct or consequential, to the bridge and the adjoining premises and to any buildings or improvements now or hereafter erected thereon and to the contents thereof, which may be caused by or arise from the normal operation, maintenance, or repair of Grantee's railroad, or which may be caused by or arise from vibration resulting from the normal operation, maintenance, repair or renewal thereof.

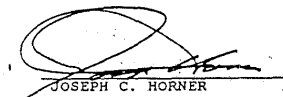
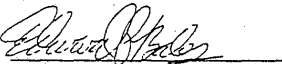
(2) Grantee hereby forever releases Grantor from any liability for any loss or damage, direct or consequential, which may be caused by or arise from the sliding, shifting or movement of any part of any adjoining embankment of the premises conveyed by Grantor, or by the drainage or seepage of water therefrom.

(3) Grantor shall not be liable or obligated to provide lateral support for the surfaces of the adjoining Premises, and Grantee waives all rights to ask for, demand, recover or receive any relief or compensation for any damage that may be caused by the sliding, shifting, or movement of any part of the slope or embankment supporting the adjoining premises. Grantee shall use due diligence to prevent the drainage or seepage of water, or the precipitation of snow or ice, or anything whatever, from the Premises onto under or upon the adjoining lands of Grantor.

TO HAVE AND TO HOLD, all and singular the said Premises, together with the track, bridge and their appurtenances thereon, unto the Grantee, their heirs or successors and assigns of the Grantee, forever, EXCEPTING and RESERVING and UNDER and SUBJECT and PROVIDED as aforesaid.

IN WITNESS WHEREOF, the Grantor has caused this Indenture to be signed in his name, the date and year first above written

SEALED and DELIVERED
in the presence of


JOSEPH C. HORNER

TO BE RECORDED WITH DEED PURSUANT TO C. 49, P.L. 1968, AS AMENDED BY C. 225, P.L. 1985 (N.J.S.A. 46:15-5 et seq.)

STATE OF NEW JERSEY
COUNTY OF Somerset

SS.

FOR RECORDER'S USE ONLY
Consideration \$ 1.00
Realty Transfer Fee \$ Summed
Date 5-1-01 By RSB

* Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (See Instructions #3, 4 and 5 on reverse side.)

Deponent Joseph C. Horner, being duly sworn according to law upon his/her oath
deposes and says that he/she is the Grantor in a deed dated 5/1/2000
(State whether Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.)
transferring real property identified as Block No. 309, 6102 Lot No. 3, 1
located at Manville Borough and Bridgewater Township, respectively
Somerset County and annexed hereto.

(2) CONSIDERATION (See Instruction #6.)

Deponent states that, with respect to deed hereto annexed, the actual amount of money and the monetary value of any other thing of value constituting the entire compensation paid or to be paid for the transfer of title to the lands, tenements or other realty, including the remaining amount of any prior mortgage to which the transfer is subject or which is to be assumed and agreed to be paid by the grantee and any other lien or encumbrance thereon not paid, satisfied or removed in connection with the transfer of title is \$ 1.00

(3) FULL EXEMPTION FROM FEE Deponent claims that this deed transaction is fully exempt from the Realty Transfer Fee imposed by c. 49, P.L. 1968, for the following reason(s): Explain in detail. (See Instruction #7.) Mere reference to exemption symbol is not sufficient.

(a) For a consideration of less than \$100.00

(4) PARTIAL EXEMPTION FROM FEE

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. (See Instructions #8 and #9.)

Deponent claims that this deed transaction is exempt from the increased portion of the Realty Transfer Fee imposed by c. 176, P.L. 1975 for the following reason(s):

- A) SENIOR CITIZEN (See Instruction #8.)
☐ Grantor(s) 62 yrs. of age or over.
☐ One- or two-family residential premises.
☐ Owned and occupied by grantor(s) at time of sale.
☐ No joint owners other than spouse or other qualified exempt owners.
- B) BLIND (See Instruction #8.)
☐ Grantor(s) legally blind.
☐ One- or two-family residential premises.
☐ Owned and occupied by grantor(s) at time of sale.
☐ No joint owners other than spouse or other qualified exempt owners.
- C) LOW AND MODERATE INCOME HOUSING (See Instruction #8.)
☐ Affordable According to HUD Standards.
☐ Meets Income Requirements of Region.
☐ Reserved for Occupancy.
☐ Subject to Resale Controls.
- D) NEW CONSTRUCTION (See Instruction #9.)
☐ Entirely new improvement.
☐ Not previously used for any purpose.
☐ Not previously occupied.

Deponent makes this Affidavit to induce the County Clerk or Register of Deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of c. 49, P.L. 1968.

Subscribed and sworn to before me
this day of May, 2000

Notary Public
Notary Public of New Jersey

Joseph C. Horner
15 Portman Lane
Bridgewater, N.J. 08807

Joseph C. Horner
15 Portman Lane
Bridgewater, N.J. 08807

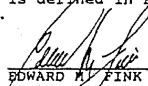
FOR OFFICIAL USE ONLY This space for use of County Clerk or Register of Deeds.
Instrument Number 17311 County Somerset
Deed Number 5-1-01 Book 5-1-01 Page 5-1-01
Date Dated 5-1-01 Date Recorded 5-1-01

IMPORTANT - BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE HEREOF. This form is prescribed by the Director, Division of Taxation in the Department of the Treasury, as required by law, and may not be altered without the approval of the Director.

ORIGINAL - White copy to be retained by County.
DUPLICATE - Yellow Copy to be forwarded by County to Division of Taxation on partial exemption from fee (N.J.A.C. 18:16 - 8.12)
TRIPLICATE - Pink Copy is your file copy.

BK2351PG851

BE IT REMEMBERED, that on this 1st day of May, 2000, before me, the subscriber, An Attorney at Law of New Jersey, personally appeared Joseph C. Horner who I am satisfied is the person who has signed the within Instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed; and that the full and actual consideration paid for the transfer of title to realty evidenced by the within Instrument as such consideration is defined in P.L. 1968, C.49, Sec. 1(c), is One Dollar (\$1.00).


EDWARD M. FINK
An Attorney at Law of New Jersey

Record & Return to: ↙

Edward M. Fink, Esq.
51 Jamaica Street
Edison, New Jersey 08820

EXHIBIT C-3

Exhibit B

LAND USE AGREEMENT BETWEEN
JOSEPH HORNER AND
SOMERSET TERMINAL RAILROAD CORPORATION

THIS AGREEMENT, entered into this 1st day of May, 2000 by and between Joseph Horner ("Horner") having a principal place of business at 15 Polhemus Lane, Bridgewater, New Jersey, 08807 and Somerset Terminal Railroad Corporation ("Somerset"), a corporation of the State of New Jersey having its principal place of business at 350 Central Avenue, Bridgewater, New Jersey 08807.

WHEREAS Horner owns certain property in the Township of Bridgewater, New Jersey and in the Borough of Manville, New Jersey, known and designated as Lot 1 in Block 6102 and Lot 3 in Block 309, respectively, and permits the operation of a freight line over said property for the transportation of refuse processed in a facility owned and operated by Bridgewater Resources, Inc. ("BRI"), a corporation of the State of New Jersey.

WHEREAS, SOMERSET has proposed to operate a Class III railroad carrier upon said properties in the County of Somerset, New Jersey to connect with the CSX Railroad and the Norfolk Southern Railroad at points of intersection located in the County of Somerset, New Jersey.

WHEREAS, SOMERSET desires to operate its rail line over property belonging to HORNER, moving from one location in Somerset County to another location in Somerset County.

WHEREAS, HORNER is willing to allow SOMERSET to transit its traffic between the aforementioned point, subject to the provisions hereof.

NOW THEREFORE, the parties hereto agree as follows:

SECTION 1. General Conditions

HORNER shall allow Somerset's locomotives or other equipment including loaded and empty cars belonging to BRI, Somerset and other entities to transit upon HORNER'S property situate between the Raritan Valley connecting track right-of-way located between mile post 57.25 (at Manville Yard) and Mile Post 58.50 (at New Jersey Transit's Commuter line) situate in Bridgewater Township, and Borough of Manville, Somerset County, New Jersey.

(a) Traffic carried upon said property shall include but not be limited to goods and products processed by entities other than BRI as well as refuse processed by BRI for transport to locations outside the State of New Jersey, and passenger traffic.

(b) Nothing herein shall be deemed to constitute Somerset as the Agent of HORNER and Somerset shall be an independent contractor when performing services.

(c) Somerset shall construct and maintain trackage upon the property of HORNER.

(d) Locomotives employed in performing services over the property of HORNER shall be those exclusively owned or leased by Somerset and crews operating said locomotives shall be employed by Somerset or any designee thereof.

SECTION 2. Use of Subject Property

No Loading Rights

Property rights herein granted are granted for the sole purpose of Somerset using the same for Rail Service which shall mean the operation and transport by Somerset, its successors in interest or its assignees, independent contractors or agents, in interstate or intrastate commerce, of contract or common carrier freight service, including but not limited to the operation of freight trains, locomotives, switching movements and other on-track equipment, and diverse railroad equipment, and passenger service including but not limited to the operation of passenger trains, locomotives, switching movements and other on-track equipment, and diverse railroad equipment.

SECTION 3. Compensation

(a) SOMERSET shall pay HORNER on a Billable Car-Mile basis for rail service operated over his property at a Car-Mile rate of \$0.32 per car.

(b) SOMERSET shall pay for routine and non-routine maintenance costs of operation over the property of HORNER which shall include railroad tracks, signal apparatus and other apparatus.

(c) In addition to the foregoing compensation, SOMERSET shall deliver to HORNER 150,000 shares of the common stock of EASTERN RAILROAD INVESTMENT CORPORATION (the parent of Somerset Terminal Railroad Corporation) which have been assigned a value of 0.40 per share.

(d) Within sixty days of the close of each month, SOMERSET shall furnish to HORNER a statement setting forth billable car miles operated by SOMERSET over HORNER'S property. SOMERSET shall pay HORNER'S invoice within sixty (60) days of its receipt.

SECTION 4. Maintenance of Subject Property

Somerset shall maintain, repair and renew the portion of the property used by it at its own expense. Somerset shall keep and maintain the Subject property in reasonably good condition for the use herein contemplated.

SECTION 5. Management and Operation

(a) Somerset shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance acts, as amended, and all other Federal and State laws, regulations, and rules respecting the operation, condition, inspection and safety of its trains, locomotives, cars and equipment while such trains, locomotives, cars and equipment are being operated over the Subject Property. Somerset shall indemnify, protect, defend and save harmless HORNER and any of his employees from and against all fines, penalties, and liabilities imposed upon him or his agents or employees under such laws, rules, and regulations by any public authority or court having jurisdiction over the premises, when attributable to the failure of Somerset to comply with its obligations.

(b) Somerset in its use of the Subject Property will comply in all respects with the operating rules and regulations of

SOMERSET, if any, and the movement of Somerset's trains, locomotives, cars and equipment over the Subject Property shall at all times be subject to the orders of the transportation officers of Somerset. Somerset's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities for trackage as published in the Railway Line Clearances, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the authorized speeds as provided by Somerset's operating rules and regulations. Somerset shall indemnify, protect, defend, and save harmless HORNER and his agents and employees from and against all liabilities when attributable solely to the failure of Somerset to comply with the provisions of this subsection.

(c) The trains, locomotives, cars and equipment of Somerset over the subject property or of any portion thereof shall be operated without prejudice or partiality and in such manner as will afford the most economical and efficient manner of movement of all traffic.

SECTION 6. Clearing of Wrecks

Whenever Somerset's use of the subject property requires rerailing, wrecking service or wrecking train service, Somerset shall perform such service including the repair and restoration of roadbed, track and structures. The cost and expense thereof, including without limitation, loss of, damage to, and destruction of any property whatsoever and injury to or death of any person

or persons whomsoever resulting therefor, shall be apportioned in accordance with the provisions of Section 8 hereof. All locomotives, cars and equipment and salvage from same so picked up and removed which are owned by or under the control and management of or used by Somerset at the time of such wreck shall be promptly delivered to it.

SECTION 7. Liability

The responsibility of the parties hereto as between themselves for the loss of, damage to, or destruction of any property whatsoever or injury to or death of any person or persons whomsoever, resulting from, arising out of, incidental to or occurring in connection with the Property Rights set forth in this Agreement shall be determined as follows:

(a) Except as provided for the use of Subject Property in paragraphs 8(c) through 8(1) inclusive, Somerset shall release and protect, defend, indemnify and save harmless HORNER, and his agents and employees against all claims, liabilities, demands, actions at law and equity, judgments, settlements, losses, damages, and expenses of any character whatsoever (hereinafter collectively referred to as "Claims") for injury or wrongful death sustained by the him or his agents and employees and for damage to or loss or destruction of HORNER property of any kind.

(b) Somerset shall assume, as between the parties hereto, and shall protect, defend, indemnify, and save harmless HORNER from any and all liability for all claims for injury or wrongful death sustained by any person, including HORNER, his agents or

employees, and for damage to or loss or destruction of property of any such person caused by, resulting from or occurring in connection with the handling of rail cars by Somerset.

(c) Whenever any loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whomsoever or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife and vegetation occurs on the Subject Property with the trains, locomotives, cars, or equipment of or in the account of Somerset, Somerset shall assume all liability therefore and bear all cost and expense in connection therewith, including without limitation all cost and expense referred to in Section 7 hereof, and shall forever protect, defend and save harmless HORNER and his agents and employees from and against any such liability, cost, and expense regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of Somerset or its directors, officers, agents or employees.

(d) In every case of death or injury suffered by an employee of either Somerset or HORNER when compensation to such employee or employee's dependent is required to be paid under workmen's compensation, occupational disease, employer's liability, or other law, and either of said parties under the provisions of this Agreement is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such party shall not be

released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

SECTION 8. Investigation

(a) Except as provided in Subsection (b) hereof, all claims, injuries, deaths, property damages, and losses arising out of or connected with this Agreement shall be investigated, adjusted and defended by the party bearing the liability, cost and expense therefor under the provisions of this Agreement.

(b) Somerset will investigate, adjust, and defend all freight loss and damage claims filed with it in accordance with 49 U.S.C. Section 11707 or 49 C.F.R. Section 1005, or in accordance with any applicable transportation contracts filed pursuant to 49 U.S.C. Section 10713.

(c) In the event a claim or suit is asserted against HORNER which is Somerset's duty hereunder to investigate, adjust or defend, then unless otherwise agreed, Somerset shall, upon request, take over the investigation, adjustment and defense of such claims or suit.

(d) All costs and expenses in connection with the investigation, adjustment and defense of any claim or suit under this Agreement shall be included costs and expenses in applying the liability provisions set forth in this Agreement, except that salaries or wages of full-time claim agents, full-time attorneys, and other full-time employees of either party engaged directly or

indirectly in such work shall be borne by such party.

SECTION 9. Payment of Bills

(a) All payments called for under this Agreement shall be made within sixty (60) days after receipt of bills therefor. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the parties hereto shall be adjusted in the accounts of a subsequent month. The records of each party hereto, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other party.

(b) Bills rendered pursuant to the provisions of this Agreement, shall include direct labor and material costs, together with the surcharges, overhead percentages and equipment rentals in effect at the time any work is performed.

SECTION 10. Compliance with law.

Each party shall comply with all applicable laws, rules, regulations, and orders promulgated by any government or governmental agency which affects the service provided hereunder. If any fine, penalty, cost of charge is imposed or assessed on or against any party hereto by reason of failure of the other party to so comply, the party so failing shall promptly reimburse and indemnify the other party for or on account of such fine, penalty, cost or charges and all expenses and attorneys' fees incurred in connection therewith, and shall defend any action free of cost, charge or expense to the other party.

SECTION 11. Employee Protection

Somerset shall assume and hold HORNER harmless from all employee claims predicated on loss of, or adverse impact on, compensation, benefits or working conditions arising from this Agreement or the activities of the parties hereunder, whether such claims are based upon conditions imposed by the Surface Transportation Board or are predicated on the Railway Labor Act or labor agreements.

SECTION 12. TERM

This Agreement shall take effect as of the date first above written and shall continue in force and effect until terminated by either party upon one (1) years written notice to the other party. Termination of this Agreement shall not relieve, release or excuse either party from any liability which either party may have incurred or any obligation which may have accrued under any provisions of this Agreement prior to the effective date of termination.

SECTION 13. INSURANCE

During the term of this Agreement, Somerset shall provide and maintain in effect a policy of public liability insurance, including contractual liability assumed by Somerset under the provisions of this Agreement, which names HORNER as an additional assured and provides for a minimum of sixty (60) days advance notice to HORNER before any changes or cancellation. Said insurance shall be in limits of not less than \$2 million single limit bodily injury and/or property damage and shall be in

companies and form acceptable to HORNER. Somerset shall forward annually to HORNER at 15 Polhemus Lane, Bridgewater, New Jersey 08807 evidence of the amount of public liability insurance currently in effect.

SECTION 14. ASSIGNMENT

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto; provided, however, that neither party shall transfer or assign this Agreement, nor any of its rights, interests or obligations hereunder, by merger or otherwise, to any person, firm or corporation without obtaining the prior written consent of the other party, which consent shall not be unreasonably withheld.

SECTION 15. FORCE MAJEURE

Neither party to this Agreement shall be responsible to the other for delays or errors in its performance or other breach under this Agreement occurring by reason of circumstances beyond its control, including, but not limited to, Acts of God, floods, storms, earthquakes,, hurricanes, tornadoes or other severe weather or climatic conditions; acts of public enemy, war, blockade, insurrection, vandalism or sabotage; fire, accident, wreck, derailment, washout or explosion; and strike or labor disputes experienced by the parties hereto; embargoes or Association of American Railroads (AAR) Service Orders; Federal Railroad Administration (FRA) orders; or governmental laws, orders or regulations.

SECTION 16. GENERAL PROVISIONS

(a) This Agreement and each and every provision hereof are for the exclusive benefit of the parties hereto and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right in any third party to recover by way of damages or otherwise against either of the parties hereto.

(b) All section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(c) This Agreement contains the entire Agreement of the parties and supersedes any and all oral understandings between the parties with respect to the subject matter hereof.

(d) No term or provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing signed by both parties to this Agreement.

(e) All words, terms, and phrases use in this Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms and phrases in the railroad industry.

(f) HORNER further agrees to give SOMERSET the right of first refusal to purchase the existing railroad bridge traversing the Raritan River which bridge connects the subject properties.

(g) In the event HORNER fails to convey title to the entire existing bridge traversing the Raritan River to SOMERSET, he hereby agrees to convey to SOMERSET a perpetual, exclusive

esement to provide rail service over the entirety of said bridge.

SECTION 17. NOTICE

Any notice required or permitted to be given by one party to the other under this Agreement shall be deemed given on the date sent by certified mail, or other means as the parties may mutually agree, and shall be addressed as follows:

(a) If to HORNER:

Mr. Joseph Horner,
15 Polhemus Lane
Bridgewater, New Jersey, 08807

(b) If to Somerset:

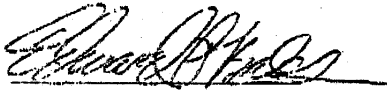
Mr. Eric S. Strohmeier, President
Somerset Terminal Railroad Corporation
568 Central Avenue
Bridgewater, New Jersey 08807

(c) Either party may provide changes in the above addresses to the other party by personal service or certified mail.

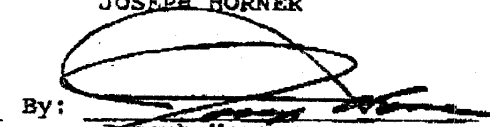
IN WITNESS WHEREOF, the parties hereto have caused this Agreement
to be duly executed as of the date first above written.

WITNESS:

JOSEPH HORNER

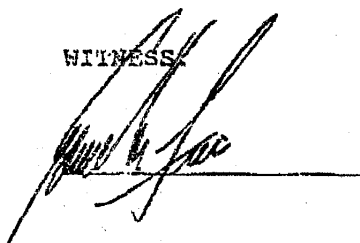


By:


Joseph Horner

WITNESS:

SOMERSET TERMINAL RAILROAD CORP.



By:


ERIC S. STROHMEYER, President

MAURO, SAVO, CAMERINO & GRANT
Attorneys at Law
77 North Bridge Street
P.O. Box 1277
Somerville, NJ 08876
(908) 526-0707
Telecopier (908) 725-8483

DATE: December 13, 2000

CONFIDENTIALITY NOTE

The information contained in this facsimile message is legally privileged and confidential information intended only for the use of the individual or entity named below. If you, the reader of this message, are not the intended recipient, you are hereby notified that you should not further disseminate, distribute or copy this telecopy. In addition, if you have received this telecopy in error, please immediately notify us by telephone and return the original message to us at the above address.

COMPANY: Bridgewater Resources, Inc.

ATTENTION: Joe Horner

FAX NUMBER: (732) 271-2804

FROM: Michael G. Friedman

RE: Joseph Horner/Somerset Terminal Railroad Corp.

NUMBER OF PAGES (including cover page): 8

MESSAGE:

MAURO, SAVO, CAMERINO & GRANT, P.A.

GEORGE A. MAURO, JR.
WILLIAM B. SAVO
MICHAEL V. CAMERINO
ALAN BART GRANT
THOMAS F. CHANSKY
FREDERICK H. ALLEN, III 1,2,5
ELLEN M. GILLESPIE
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MARK F. STRAUSS
A. ARTHUR DAVIS, 3RD
ARTHUR D. FIALK

1 Also FL Bar
2 Also DA Bar
3 Also NY Bar
4 Also ME Bar
5 Cert. Civil Trial Att.

December 13, 2000

VIA TELECOPY (732) 494-0442

Edward M. Fink, Esq.
51 Jamaica Street
Edison, New Jersey 08820


**RE: Joseph Horner/Somerset Terminal Railroad Corporation
Land Use Agreement; Deed of Easement**

Dear Mr. Fink:

This firm represents Joseph Horner with respect to the above-referenced matter. Enclosed please find a proposed Rider To Land Use Agreement which provides revisions required by Mr. Horner with respect to this transaction. Kindly review same and provide any comments or suggestions at your earliest convenience. Additionally, please revise the Deed of Easement to either (1) include the Land Use Agreement and Rider as an exhibit which will be recorded along with the Easement, or (2) explicitly incorporate the Land Use Agreement and Rider by reference in the Easement as being "incorporated herein and made a part hereof".

If you should have any questions or require any further information, please do not hesitate to contact me. Thank you for your attention and assistance.

Very truly yours,


Michael G. Friedman

cc: Joseph C. Horner (w/ enc.)
William B. Savo, Esq. (w/ enc.)

RIDER TO LAND USE AGREEMENT

The parties to the Land Use Agreement acknowledge and agree that this Rider To Land Use Agreement, dated _____, hereby modifies and amends the terms and conditions of the Land Use Agreement between Somerset and HORNER, to which this Rider is hereby made a part thereof and incorporated therein. In the event of any inconsistencies between the provisions of the Land Use Agreement and the within Rider, the provisions of this Rider shall govern and prevail.

Section 1. General Conditions. In addition to the terms and conditions contained in this Section 1 of the Land Use Agreement, Somerset and HORNER further agree that Somerset shall submit to HORNER for approval all site plans, construction plans, permit applications and/or construction specifications, and any subsequent revisions thereto, prior to Somerset's submission to governmental authorities having jurisdiction over Somerset's operations or the Subject Property and/or prior to Somerset's commencement of such construction activities.

Section 4. Maintenance of Subject Property. In addition to the terms and conditions contained in this Section 4 of the Land Use Agreement, Somerset and HORNER further agree that, upon the expiration or earlier termination of the Deed of Easement dated _____ to which this Agreement is a made a part thereof and incorporated therein, Somerset shall, at the written request of HORNER which shall be at HORNER's option and in HORNER's sole discretion, restore and return the Subject Property in the same condition as when delivered to Somerset prior to Somerset's construction and operations undertaken pursuant to this Agreement.

Section 5. Management and Operation. In addition to the terms and conditions contained in this Section 5 of the Land Use Agreement, Somerset and HORNER further agree that Somerset's use of the Subject Property shall not in any way interfere with the use of and operations on adjacent or neighboring properties. Somerset shall defend, indemnify and hold harmless HORNER, its successors and assigns, against any claims, demands, causes of action, debts or liabilities of interference in the use of or operations on said adjacent or neighboring properties.

Section 7. Liability. In addition to the terms and conditions contained in this Section 7 of the Land Use Agreement, Somerset and HORNER further agree that the following provisions concerning liability for environmental conditions on or at the Subject Property are intended to allocate such responsibility in accordance with the terms of this Agreement.

Environmental Requirements

(a) Somerset shall not do or permit anything to be done on the Property which shall constitute a public nuisance or which will conflict with the regulations of Federal, State or local authorities having jurisdiction over Somerset's operations or the Subject Property.

(b) Somerset shall, at its own expense, obtain all necessary environmental and operating permits and comply with all requirements of law and with all ordinances or orders, rules and regulations of any federal, state, municipal or other public authority affecting Somerset's operations and the Subject Property and with all requirements of any liability insurance company insuring HORNER against liability connected with the Subject Property, and to make all improvements and repairs required by such laws, ordinances, orders, rules and regulations.

(c) As used herein, Hazardous Substances shall be defined as any "hazardous chemical," "hazardous material" "hazardous waste", or "hazardous substance", including petroleum products, or similar terms, as defined in the Comprehensive Environmental Responsibility Compensation and Liability Act, as amended, 42 U.S.C. 9601 et seq., the New Jersey Industrial Site Recovery Act, as amended, N.J.S.A. 13:1K-6 et seq. the New Jersey Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11b, et seq., any rules or regulations promulgated thereunder, or in any other applicable federal, state or local law, rule or regulation dealing with environmental protection.

(d) Somerset agrees that Somerset, its agents and contractors, licensees, or invitees shall not generate, handle, use, manufacture, store, process, treat, transport or dispose of any Hazardous Substances, on, under, or about the Subject Property, without HORNER's prior written consent (which consent shall not be unreasonably withheld, as long as Somerset demonstrates and documents to HORNER's reasonable satisfaction (i) that such Hazardous Substances (a) are necessary or useful to Somerset's operations; and (b) will be generated, handled, used, manufactured, stored, processed, treated, transported or disposed of in compliance with all laws relating to such Hazardous Substances; and (ii) that Somerset will give all required notices concerning the presence in or on the Subject Property or the release of such Hazardous Substances on the Subject Property). Somerset's business and operations, and more particularly its generation, handling, use, manufacturing, storage, processing, treatment, transporting or disposal of Hazardous Substances, shall at all times comply with all applicable laws pertaining to Hazardous Substances and/or

Somerset's operations. Somerset shall give or post all notices required by all applicable laws pertaining to Hazardous Substances.

(e) Somerset shall not store hazardous wastes on the Subject Property for more than ninety (90) days; "hazardous waste" has the meaning given it by the Resource Conservation and Recovery Act of 1976, as amended. Somerset shall not install any underground or above ground storage tanks on the Subject Property. Somerset shall not release, discharge, spill or dispose of any Hazardous Substance or solid waste on the Subject Property.

(f) Any increase in the premium for necessary insurance on the Subject Property which arises from Somerset's use, transporting and/or storage of Hazardous Substances shall be solely at Somerset's expense. Somerset shall procure and maintain at its sole expense Environmental Impairment Liability ("EIL") insurance or Pollution Legal Liability ("PLL") insurance, naming HORNER as an additional assured, in the amount of not less than \$ 1,000,000 per occurrence and \$ 2,000,000 in the aggregate with respect to Somerset's operations and the Subject Property. Somerset shall forward annually to HORNER evidence of such EIL or PLL insurance. All insurance policies required by Section 7 of this Agreement will expressly provide that the policies will not be canceled or altered without sixty (60) days prior written notice to HORNER, and will, to the extent obtainable, provide that no act or omission of Somerset which would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

(g) Somerset agrees to allow access to HORNER, his agents, servants, representatives, designees, contractors, consultants, or any governmental entity, to investigate, delineate, remove or remediate any suspected environmental contamination or condition at, on or beneath the Subject Property, whether said suspected environmental contamination or condition is a result of Somerset's operations or otherwise. HORNER as aforesaid shall have the right, but not the obligation, to enter the Subject Property, upon reasonable notice to Somerset, to take such samples, monitor any wells and operate such remediation equipment as deemed reasonably necessary to investigate, delineate, remove or remediate any environmental contamination or condition at, on or beneath the Subject Property.

(h) Upon the expiration or earlier termination of this Agreement, upon the cessation of Somerset's business operations on the Subject Property or in the event that Somerset takes any action which the New Jersey Department of Environmental Protection ("NJDEP") determines is a statutory trigger under the New Jersey Industrial Site Recovery Act, as amended, N.J.S.A. 13:1K-6 et seq.

("ISRA"), Somerset shall perform all actions necessary to comply with ISRA, including but not limited to the necessary NJDEP filings and submissions and conduct any investigation or remediation of contamination on or under the Subject Property. Prior to vacating the Subject Property, Somerset shall provide HORNER with evidence of satisfactory compliance with ISRA, which evidence shall be approvals issued from NJDEP in the form of either a (i) letter of non-applicability; (ii) de minimis quantity exemption; (iv) negative declaration approval; or (v) no further action letter.

(i) In the event HORNER transfers the Subject Property, or any part thereof, or takes any action which NJDEP determines is a statutory trigger under ISRA, Somerset shall, upon request by HORNER, provide all information within Somerset's control requested by HORNER or NJDEP in connection with the preparation of a non-applicability affidavit, de minimis quantity exemption, negative declaration affidavit or other applications or filings necessary for compliance with ISRA. Somerset shall promptly execute any such affidavits necessary for ISRA approval should the information contained therein be found by Somerset to be complete and accurate.

(j) Without limiting the above, Somerset shall reimburse, defend, indemnify and hold HORNER harmless from and against any and all claims, losses, liabilities, damages, costs and expenses, including without limitation, loss of rental income, loss due to business interruption, and attorney's fees and costs, arising out of or in any way connected with the generation, handling, use, manufacturing, storage, processing, treatment, transporting or disposal of Hazardous Substances by Somerset, its agents or contractors on, under or about the Subject Property, including, without limitation, the costs of any required or necessary investigation, repair, or remediation and the preparation of any remedial investigation workplan, remediation action workplan or other required plans in connection herewith, whether voluntary or compelled by governmental authority. Somerset shall perform any required or necessary investigation, repair or remediation of the Subject Property required under any applicable federal or state statute or regulation. In such case, HORNER shall have the right, in its sole discretion, to approve all remedial investigation workplans, remediation action workplans or other required plans. Somerset shall provide HORNER on a timely basis with (i) copies of all documents, reports, and communications with governmental authorities; and (ii) notice and an opportunity to attend all meetings with regulatory authorities. HORNER shall not be required to consent to the use by Somerset in the performance of remedial activities of restricted use cleanup standards, limited restricted use cleanup standards or otherwise be required to execute a deed restriction or other form of engineering or institutional control with respect to remediation of the Subject Property.

(k) In the event a discharge of a Hazardous Substance occurs on the Subject Property during Somerset's occupancy, Somerset shall immediately notify HORNER and shall promptly comply with the reporting requirements of the New Jersey Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11b, et seq.,. Somerset shall investigate and remediate such Hazardous Substances in accordance with the NJDEP's Technical Requirements for Site Remediation, N.J.A.C. 7:26E et seq., or such comparable regulation in effect at the time, and shall obtain from NJDEP a No Further Action Letter. Somerset shall provide HORNER with copies of all correspondence, NJDEP submissions, analytical data, technical reports and other materials submitted to or received from NJDEP relating to Somerset's investigation or remediation of Hazardous Substances on the Subject Property.

(l) Somerset's obligations pursuant to this Section 7 shall survive the expiration or earlier termination of this Agreement or of the Deed of Easement dated _____.

Section 13. Insurance. In addition to the terms and conditions contained in this Section 13 of the Land Use Agreement, Somerset and HORNER further agree that all insurance policies required by Section 13 of this Agreement will expressly provide, to the extent obtainable, that no act or omission of Somerset which would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

Section 14. Assignment. Somerset and HORNER agree that the terms and conditions in this Section 14 of the Land Use Agreement shall be amended and revised to allow for HORNER's transfer or assignment of this Agreement, or any of the rights, interests or obligations hereunder, to any person, firm or corporation, without requiring the prior written consent of Somerset.

IN WITNESS WHEREOF, the parties hereto have caused this Rider To Land Use Agreement to be duly executed as of the date first above written.

WITNESS:

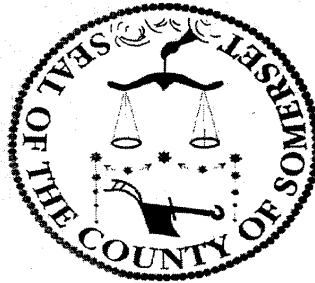
Joseph C. Horner

SOMERSET TERMINAL RAILROAD CORP.

By: _____
Eric S. Strohmeier, President

-6-

EXHIBIT D - 1



R. PETER WIDIN
SOMERSET COUNTY CLERK
20 GROVE STREET
P.O. BOX 3000
SOMERVILLE, NJ 08876-1262

Recorded: 08/12/2002 12:18:05 PM
Book: OPR 5188 Page: 38-42
Instrument No.: 2002073383
DEEDTRNS 5 PGS \$45.00

Recorder: PREMPEH

DO NOT DISCARD



2002073383

40p #45. 2/26/02
Prepared by: Jeffery Kurtzman, Esq

QUITCLAIM DEED

THIS DEED IS MADE ON the 26th of July, 2002.

BETWEEN JOSEPH C. HORNER, having a principal place of business at 15 Polhemus Lane, Bridgewater, New Jersey, 08807, hereinafter referred to as the Grantor, and STANDARD TERMINAL RAILROAD OF NEW JERSEY, INC. a corporation of the State of New Jersey, having a principal place of business at 8 First Street, Rumson, New Jersey 07760, hereinafter referred to as Grantee.

WITNESSETH, that the said Grantor, for an in consideration of the sum of ONE DOLLAR (\$1.00) lawful money of the United States of America and other good and valuable consideration, unto him well and truly paid by the said Grantee, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, Grantor does by these presents, remise, release and forever quitclaim unto the said Grantee, their heirs or successors and assigns, all right, title and interest of said Grantor of, in and to the following described Premises:

ALL THAT CERTAIN easement to operate rail operations on Lot 1 Block 6101, in the Township of Bridgewater, County of Somerset, and State of New Jersey, and Lot 3, block 309, in the Borough of Manville, County of Somerset, and State of New Jersey, which are a portion of the Reading Company New York Branch (a.k.a. the Raritan Valley Connecting Track) and identified as Line Code 0326.

TOGETHER with the Grantor's right, title and interest in and to the Bridge, its piers, abutments and appurtenances extending from the top of the bank at the southerly bank of the Raritan River, across the Raritan River to the top of the bank at the northerly bank of the Raritan River.

TOGETHER with Grantor's right, title and interest, if any, to all lands lying under the water of the South Branch of the Raritan River, as it may abut the neighboring properties, and including any land containing wing walls and bridge structure between Block 309, Lot 3 in Manville Borough and Block 6102, Lot 1 in Bridgewater Township, as if the same were a part of the above description.

BEING a portion of the premises which Somerset Terminal Railroad Corporation, a corporation of the State of New Jersey granted and conveyed to Joseph C. Horner by Deed, dated _____, 2002, which Deed was recorded in the Somerset County Clerk's Office on _____, 2002 in Deed Book ____ at page ____ et seq.

R. PETER WIDIN COUNTY CLERK
SOMERSET COUNTY, NJ
2002 JUL 29 12:18:05 PM
INSTRUMENT # 2002073383



R. PETER WIDIN COUNTY CLERK
SOMERSET COUNTY, NJ
2002 JUL 29 04:05:10 PM
BK: 5181 PG: 3247-3251
CONS: \$200.00 EXEMPT: S
NJ XFER FEE: \$1.75
INSTRUMENT # 2002069158



UNDER and Subject, however, to (1) whatever rights the public may have to the use of the bridge, (2) any streams, rivers, creeks and water ways passing under, across or through the Premises, and any rights the State of New Jersey, the Borough of Manville and the Township of Bridgewater may have in and to the Raritan River passing through under the bridge, and (3) any easements or agreements of records or otherwise affecting the premises conveyed, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems and their appurtenances now existing and remaining in, on, under, over, across and through the Premises conveyed, together with the right to maintain, repair, renew, replace, use and remove same.

THIS INSTRUMENT is executed and delivered by Grantor, and is accepted by Grantee, subject to the covenants set forth below, which shall be deemed part of the consideration of this conveyance and which shall run with the land and be binding upon, and inure to the benefit of the respective heirs, legal representatives, successors and assigns of Grantor and Grantee. Grantee hereby knowingly, willingly and voluntarily waives the benefit of any rule, law, custom, or statute of the State of New Jersey now or hereafter in force with respect to the covenants set forth below.

(1) Grantee hereby forever releases Grantor from all liability for any loss or damage, direct or consequential, to the bridge and the adjoining premises and to any buildings or improvements now or hereafter erected thereon and to the contents thereof, which may be caused by or arise from the normal operation, maintenance, or repair of Grantee's railroad, or which may be caused by or arise from vibration resulting from the normal operation, maintenance, repair or renewal thereof.

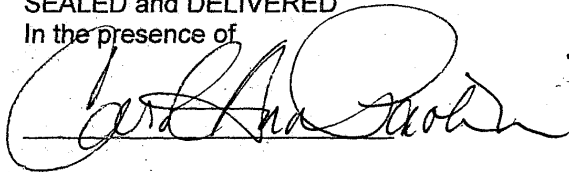
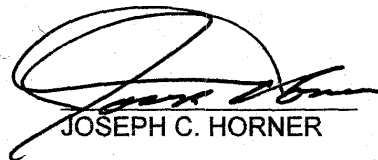
(2) Grantee hereby forever releases Grantor from any liability for any loss or damage, direct or consequential, which may be caused by or arise from the sliding, shifting or movement of any part of any adjoining embankment of the premises conveyed by Grantor, or by the drainage or seepage of water therefrom.

(3) Grantor shall not be liable or obligated to provide lateral support for the surfaces of the adjoining Premises, and Grantee waives all rights to ask for, demand, recover or receive any relief or compensation for any damage that may be caused by the sliding, shifting, or movement of any part of the slope or embankment supporting the adjoining premises. Grantee shall use due diligence to prevent the drainage or seepage of water, or the precipitation of snow or ice, or anything whatever, from the Premises onto under or upon the adjoining lands of Grantor.

TO HAVE AND TO HOLD, all and singular the said Premises, together with the track, bridge and their appurtenances, thereon, unto the Grantee, their heirs or successors and assigns of the Grantee, forever, EXCEPTING and RESERVING and UNDER and SUBJECT and PROVIDED as aforesaid.

IN WITNESS WHEREOF, the Grantor has caused this Indenture to be signed in
his name, the date and year first above written

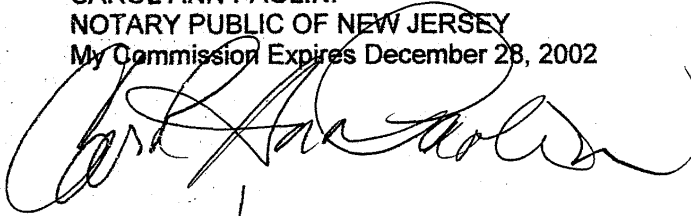
SEALED and DELIVERED
In the presence of

A handwritten signature in cursive script, appearing to read "Carol Ann Paolini", written over a horizontal line.A handwritten signature in cursive script, appearing to read "Joseph C. Horner", written over a horizontal line.
JOSEPH C. HORNER

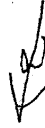
CAROL ANN PAOLINI
NOTARY PUBLIC OF NEW JERSEY
Commission Expires Dec. 28, 2007.

Be it remembered that on this 26th day of July, 2002, before me, the subscriber, a Notary Public of State of new Jersey, personally appeared before me Joseph Horner who I am satisfied is the person who signed the within instrument; and I having first made known to him the contents thereof; he did acknowledge that he signed sealed and delivered the same as his voluntary act and deed; and that the full and actual consideration paid for the transfer of title to realty evidenced by the within instrument as such consideration is defined in P.L. 1968, C.49, Sec. 1(C), is One Dollar.

CAROL ANN PAOLINI
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires December 28, 2002

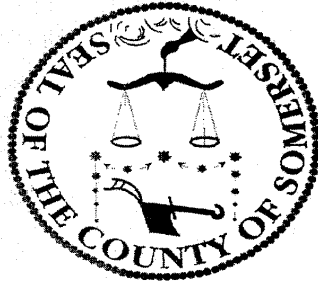


RETURN TO



J. TIMOTHY CAMPBELL ESQ
W. R. ALLEN ASSOCIATES
P.O. BOX 662
ROCKY HILL NJ
08553

EXHIBIT D-2



R. PETER WIDIN
SOMERSET COUNTY CLERK
20 GROVE STREET
P.O. BOX 3000
SOMERVILLE, NJ 08876-1262

Recorded: 08/12/2002 12:18:05 PM
Book: OPR 5188 Page: 33-37
Instrument No.: 2002073382
DEEDTRNS 5 PGS \$45.00

Recorder: PREMPEH

DO NOT DISCARD



2002073382

Prepared by:

Jeffery Kurtzman, Esq

QUITCLAIM DEED

THIS DEED IS MADE ON the 27th of July, 2002.

BETWEEN JOSEPH C. HORNER, having a principal place of business at 15 Polhemus Lane, Bridgewater, New Jersey, 08807, hereinafter referred to as the Grantor, and STANDARD TERMINAL RAILROAD OF NEW JERSEY, INC. a corporation of the State of New Jersey, having a principal place of business at 8 First Street, Rumson, New Jersey 07760, hereinafter referred to as Grantee.

WITNESSETH, that the said Grantor, for an in consideration of the sum of ONE DOLLAR (\$1.00) lawful money of the United States of America and other good and valuable consideration, unto him well and truly paid by the said Grantee, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, Grantor does by these presents, remise, release and forever quitclaim unto the said Grantee, their heirs or successors and assigns, all right, title and interest of said Grantor of, in and to the following described Premises:

ALL THAT CERTAIN certain railroad bridge which connects Lot 1 Block 6101, in the Township of Bridgewater, County of Somerset, and State of New Jersey, and Lot 3, block 309, in the Borough of Manville, County of Somerset, and State of New Jersey, all of which are a portion of the Reading Company New York Branch (a.k.a. the Raritan Valley Connecting Track) and identified as Line Code 0326.

TOGETHER with the Grantor's right, title and interest in and to the Bridge, its piers, abutments and appurtenances extending from the top of the bank at the southerly bank of the Raritan River, across the Raritan River to the top of the bank at the northerly bank of the Raritan River.

TOGETHER with Grantor's right, title and interest, if any, to all lands lying under the water of the South Branch of the Raritan River, as it may abut the neighboring properties, and including any land containing wing walls and bridge structure between Block 309, Lot 3 in Manville Borough and Block 6102, Lot 1 in Bridgewater Township, as if the same were a part of the above description.

BEING a portion of the premises which Somerset Terminal Railroad Corporation, a corporation of the State of New Jersey granted and conveyed to Joseph C. Horner by Deed, dated _____, 2002, which Deed was recorded in the Somerset County Clerk's Office on _____, 2002 in Deed Book ____ at page ____ et seq.

R. PETER WIDIN COUNTY CLERK
SOMERSET COUNTY, NJ
2002 JUL 29 04:05:10 PM
BK:5181 PG:3242-3246
CONS:\$100.00 EXEMPT: S
NJ XFER FEE:\$1.75
INSTRUMENT # 2002069157

2002069157

R. PETER WIDIN COUNTY CLERK
SOMERSET COUNTY, NJ
2002 JUL 12 12:16:05 PM
BK:5188 PG:33-37
INSTRUMENT # 2002073382

2002073382

UNDER and Subject, however, to (1) whatever rights the public may have to the use of the bridge, (2) any streams, rivers, creeks and water ways passing under, across or through the Premises, and any rights the State of New Jersey, the Borough of Manville and the Township of Bridgewater may have in and to the Raritan River passing through under the bridge, and (3) any easements or agreements of records or otherwise affecting the premises conveyed, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems and their appurtenances now existing and remaining in, on, under, over, across and through the Premises conveyed, together with the right to maintain, repair, renew, replace, use and remove same.

THIS INSTRUMENT is executed and delivered by Grantor, and is accepted by Grantee, subject to the covenants set forth below, which shall be deemed part of the consideration of this conveyance and which shall run with the land and be binding upon, and inure to the benefit of the respective heirs, legal representatives, successors and assigns of Grantor and Grantee. Grantee hereby knowingly, willingly and voluntarily waives the benefit of any rule, law, custom, or statute of the State of New Jersey now or hereafter in force with respect to the covenants set forth below.

(1) Grantee hereby forever releases Grantor from all liability for any loss or damage, direct or consequential, to the bridge and the adjoining premises and to any buildings or improvements now or hereafter erected thereon and to the contents thereof, which may be caused by or arise from the normal operation, maintenance, or repair of Grantee's railroad, or which may be caused by or arise from vibration resulting from the normal operation, maintenance, repair or renewal thereof.

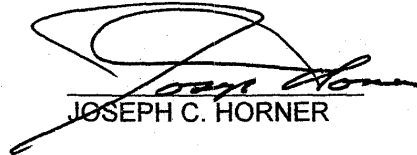
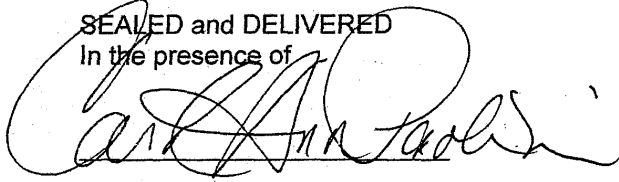
(2) Grantee hereby forever releases Grantor from any liability for any loss or damage, direct or consequential, which may be caused by or arise from the sliding, shifting or movement of any part of any adjoining embankment of the premises conveyed by Grantor, or by the drainage or seepage of water therefrom.

(3) Grantor shall not be liable or obligated to provide lateral support for the surfaces of the adjoining Premises, and Grantee waives all rights to ask for, demand, recover or receive any relief or compensation for any damage that may be caused by the sliding, shifting, or movement of any part of the slope or embankment supporting the adjoining premises. Grantee shall use due diligence to prevent the drainage or seepage of water, or the precipitation of snow or ice, or anything whatever, from the Premises onto under or upon the adjoining lands of Grantor.

TO HAVE AND TO HOLD, all and singular the said Premises, together with the track, bridge and their appurtenances, thereon, unto the Grantee, their heirs or successors and assigns of the Grantee, forever, EXCEPTING and RESERVING and UNDER and SUBJECT and PROVIDED as aforesaid.

IN WITNESS WHEREOF, the Grantor has caused this Indenture to be signed in his name, the date and year first above written

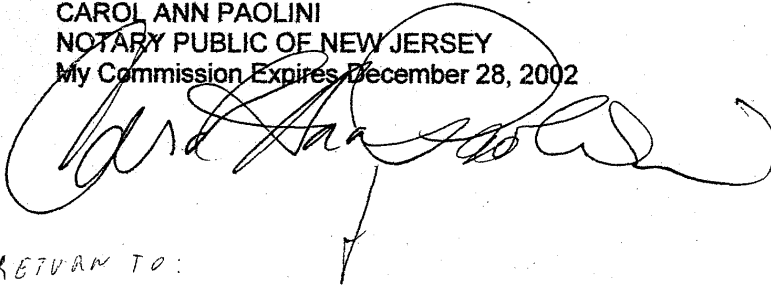
SEALED and DELIVERED
In the presence of


JOSEPH C. HORNER

CAROL ANN PAOLINI
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 28, 2002

Be it remembered that on this 27th day of July, 2002, before me, the subscriber, a Notary Public of State of new Jersey, personally appeared before me Joseph Horner who I am satisfied is the person who signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed sealed and delivered the same as his voluntary act and deed; and that the full and actual consideration paid for the transfer of title to realty evidenced by the within instrument as such consideration is defined in P.L. 1968, C.49, Sec. 1(C), is One Dollar.

CAROL ANN PAOLINI
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires December 28, 2002



RETURN TO:

J TIMOTHY CAMPBELL ESQ
WALBORN ASSOCIATES
P.O. BOX 662
ROCKY HILL NJ
08553

EXHIBIT E - 1

W. Patrick Quast
164 Franklin Tpk.,
Waldwick, N.J. 07463,
201-444-5990

John F. McHugh
6 Water Street, Suite 401
New York, N.Y. 10004
212-483-0874
pro hac vice

SUPERIOR COURT OF THE STATE OF NEW JERSEY
CHANCERY DIVISION,
COUNTY OF SOMERSET

Somerset Terminal Railroad Corporation,

Plaintiff,

v.

Joseph Horner, Standard Terminal Railroad of
New Jersey, Inc.

Defendant.

ORDER TO SHOW CAUSE

SOM-C-12068-02

Upon reading and carefully considering the summons the verified complaint, the affidavit of Eric S. Strohmeyer, the affidavit of Rodney Fisk and the exhibits submitted in support of the plaintiff's motion and sufficient cause having been shown it is:

IT IS, ON THIS 3RD DAY OF SEPTEMBER, 2002

ORDERED that the defendants or their attorneys SHOW CAUSE before this court at the Courthouse, 65 Park Avenue, Flemington, N.J. 08822 at 9:00 A.M. on the 24th day of OCTOBER, 2002 why an order should not be entered:

1. Declaring certain deeds dated July 18, 2002 deeds purporting to transfer title to the easement on Lot 3 Block 309 in Mansville Borough and Lot 1 Block 6102 in Bridgewater Township as well as a deed to a certain bridge over the Raritan River to Joseph C. Horner filed with the Clerk of Somerset County on August 13, 2002 recorded at Book 5188 of Deeds page 27-29 and 30-32, null and void.

2. Declaring that the Plaintiff Somerset Terminal Railroad Corporation has the exclusive easement subject only to that of New Jersey Transit, to provide rail services on the subject properties and is the sole owner of the said bridge.

And it is further,

ORDERED that sufficient cause having been shown service of the summons, verified Complaint and the motion papers and Order To Show Cause shall be ~~PERSONALLY AND BY CERTIFIED MAIL~~ served upon the defendants by SEPT 10, 2002 and such service shall be deemed adequate for all purposes. ~~PROOF OF SERVICE SHALL BE FILED WITH THE COURT WITHIN 10 DAYS OF SERVICE.~~ The defendants will serve and file their responding papers to ~~ORDER TO SHOW CAUSE~~ the motion not later than OCTOBER 10, 2002 and the plaintiff may serve and file a reply not later than OCTOBER 17, 2002.

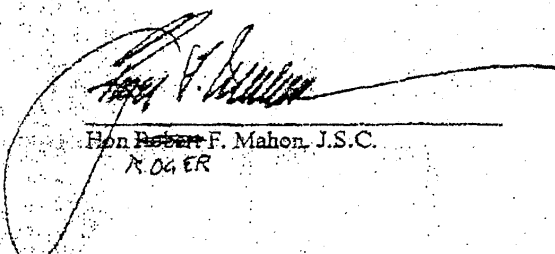

Hon Robert F. Mahon, J.S.C.
K. O'GIER

EXHIBIT E - 2

W.Patrick Quast
164 Franklin Tpk.,
Waldwick, N.J. 07463,
201-444-5990

John F. McHugh
6 Water Street, Suite 401
New York, N.Y. 10004
212-483-0875
pro hac vice

SUPERIOR COURT OF THE STATE OF NEW JERSEY
CHANCERY DIVISION,
COUNTY OF SOMERSET

Somerset Terminal Railroad Corporation,

Plaintiff,

Docket No.
Chancery Action

SUMMONS

v.

Joseph Horner, Standard Terminal Railroad of
New Jersey, Inc.

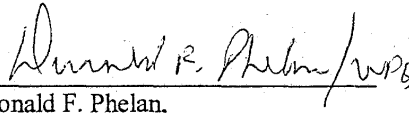
Defendant.

From the State of New Jersey
To the Defendants Named Above

The Plaintiff, named above, has filed a lawsuit against you in the Superior Court of the State of New Jersey, Chancery Division. The Verified Complaint attached to this summons states the basis for this lawsuit. If you dispute this complaint, you or your attorney must file a written answer or motion and proof of service with the deputy clerk of the Superior Court Chancery Division, for Somerset County 65 Park Avenue, Flemington, N. J. 08822. within 35 days from the date you received this summons, not counting the day you received it. A filing fee payable to the Clerk of the Superior Court must and a completed Case Information Statement (available from the deputy clerk of the Superior Court) must accompany your answer or motion when it is filed. You must also send a copy of your answer or motion to plaintiff's attorney whose name and address appear above. Or to plaintiff if no attorney is named above. A telephone call will not protect your rights; you must file and serve a written answer or motion with a fee of \$105.00 for the Chancery Division and a completed Case Information Statement if you want the Court to hear your defense.

If you do not file and serve a written answer or motion within 35 days, the court may enter judgment against you for the relief plaintiff demands, plus interest and costs of suit. If judgment is entered against you, the Sheriff may seize your money, wages or property to pay all or part of the judgment,

If you can not afford an attorney, you may call the Legal Services office in the county where you live, Somerset 908-231-0840, Hunterdon 908-792-6363. If you do not have an attorney and are not eligible for free legal assistance, you may obtain a referral to any attorney by calling the Lawyer Referral Services, Somerset County, 908-685-2323, Hunterdon 908-735-2611



Donald F. Phelan,
Clerk of the Superior Court

Dated, August 27, 2002

Joseph Horner
15 Polhemus Lane
Bridgewater, N.J. 07760.

W.Patrick Quast
164 Franklin Tpk.,
Waldwick, N.J. 07463,
201-444-5990

John F. McHugh
6 Water Street, Suite 401
New York, N.Y. 10004
212-483-0875
pro hac vice

SUPERIOR COURT OF THE STATE OF NEW JERSEY
CHANCERY DIVISION,
COUNTY OF SOMERSET

Somerset Terminal Railroad Corporation,

Plaintiff,

Verified Complaint

v.

Joseph Horner, Standard Terminal Railroad of
New Jersey, Inc.

Defendant.

Plaintiff by its attorneys, W. Patrick Quast and John F. McHugh for its
petition asserts the following:

1. Somerset Terminal Railroad Corporation is a corporation duly
organized under the laws of the State of New Jersey which is authorized by the Surface
Transportation Board to operate a certain line or railway known as a portion of the
Reading Company New York Branch located partially in the town of Manville and
partially in the town of Bridgewater, Somerset County, New Jersey.
2. Joseph Horner is an individual resident of the State of New Jersey.

2. Standard Terminal Railroad of New Jersey, Inc. is the name under which Michael Allen, a shareholder of the plaintiff seeks to do business. The status of this entity is unknown.

AS AND FOR A PETITION FOR RELIEF

4. The main track of the Somerset Terminal Railroad includes an easement on a certain parcel of land, including the track and structures thereon known as Lot 1 Block 6102 in Bridgewater, N.J. and Lot 3 Block 309 in Manville, N.J., obtained by deed recorded in Book 2351 of deeds Page 844, Exhibit A. The plaintiff also owns a major bridge which carries the railway's track across the Raritan River obtained by deed recorded in Book 2351 of Deeds, page 847, Exhibit B. All these properties are subject to a perpetual easement for the benefit of New Jersey Transit, recorded in Book 1481 of Deeds at page 706, Exhibit C.

5. The said easement connects the plaintiff's operation to the Norfolk Southern System and thus to the national railway system at Port Reading Junction in Manville, N.J. The easement constitutes the entirety of the plaintiff's rail line which is mapped in: Exhibit D.

6. On July 18, 2002 a certain Edward M. Fink signed deeds relinquishing the easement on Lot 3 Block 309 in Mansville Borough and Lot 1 Block 6102 in Bridgewater Township as well as the bridge to Joseph C. Horner, being the same interests conveyed by said Joseph C. Horner to the railroad as above stated. This deed was filed with the Clerk of Somerset County on July 29, 2002 but was withdrawn and refilled on August 13, 2002 recorded at Book 5188 of Deeds page 27-29 and 30-32, Exhibit E.

7. Mr. Fink did not have authority to convey the railroad's property and particularly did not have authority to abandon the railroad. Both Mr. Horner and Michael Allen, in their own rights as shareholders in Somerset Terminal and as representatives of agents of the Standard Terminal Railroad of New Jersey were fully aware of Mr. Fink's lack of authority.

8. Mr. Fink's actions were the equivalent of an abandonment of the railroad, which abandonment must be authorized and has not been authorized by the Surface Transportation Board.

9. On July 26, 2002 Joseph C. Horner conveyed the property to the Standard Terminal Railroad of New Jersey by deeds first filed with the clerk of Somerset County on July 29, 2002, withdrawn and refilled on August 12, 2002 at Book 5188 of Deeds page 33-37 and 38-42, Exhibits F and G.

10. By reason of the above the said conveyance was unauthorized in fact and in law.

Wherefore the plaintiff seeks judgment in its favor and against the defendants:

1. Declaring the deeds dated July 18, 2002 and filed in Book 5188 of Deeds at pages 27-29 and 30-32 to be null and void,

2. Declaring that the plaintiff is the sole owner of an easement to operate a rail service over the easement as outlined in the deed recorded in Book 2351 of deeds at Pages 841-846 and the sole owner of the bridge pursuant to the deed recorded in Book 2351 of Deeds at pages 847-852.

AS AND FOR A SECOND CAUSE OF ACTION

1. On or about July 18, 2002 Joseph Horner in his own right and Michael Allen, acting as the agent for Standard Terminal Railroad of New Jersey, informed Edward Fink, an attorney, that if he did not convey a certain easement owned by the plaintiff to the defendants they would take action to have him disbarred.

2. To avoid a charge of misconduct being filed against him said Edward Fink signed certain agreements and deeds conveying all of the plaintiff's easements and operating rights to the defendant Joseph Horner.

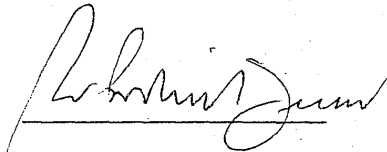
3. The signature of said Edward Fink to the transaction in question was obtained through extortion.

4. By reason of the above the transaction should be deemed void by this Court and the deeds executed by Mr. Fink on July 18, 2002 should be deemed null and void.

Wherefore the plaintiff seeks judgment in its favor and against the defendants:

1. Declaring the deeds dated July 18, 2002 and filed in Book 5188 of Deeds at page 27-29 and 30-32 to be null and void,

2. Declaring that the plaintiff is the sole owner of an easement to operate a rail service over the easement as outlined in the deed recorded in Book 2351 of deeds at Pages 841-846 and the sole owner of the bridge pursuant to the deed recorded in Book 2351 of Deeds at pages 847-852.



W. Patrick Quast
164 Franklin Tpk.,
Waldwick, N.J. 07463,
201-444-5990

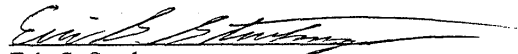
John F. McHugh

6 Water Street, Suite 401
New York, N.Y. 10004
212-483-0875
pro hac vice

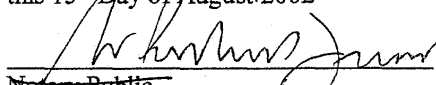
VERIFICATION

Eric S. Strohmeyer being first duly sworn deposes and says:

1. I am the Acting President, Chief Executive Officer and a Director of the Somerset Terminal Railroad Corporation and of Eastern Railroad Investment Corporation as such am familiar with this matter
2. I have read the Complaint drafted by counsel for the railroad and verify that the facts related therein are correct.


Eric S. Strohmeyer

Sworn before me in the ^{Wardwick} ~~City of New York~~, County of ^{Passaic} ~~New York~~, ^{STATE OF NEW JERSEY} ~~STATE OF NEW YORK~~,
this 15th Day of August, 2002


~~Notary Public~~

W. PATRICK QUAST
An Attorney at Law
State of New Jersey

EXHIBIT F

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
TRENTON , NEW JERSEY 08608

ORIGINAL FILED

SEP 20 2002

Local Civil Rule 10.1(b)
requires docket number and
name of district judge on all
pleadings filed with this office.

WILLIAM T. WALSH
CLERK

SOMERSET TERMINAL RR

Plaintiff(s)

v.

HORNER

Defendant(s)

:
: Civil Action No. 3:02cv04524
:
: NOTICE OF ALLOCATION
: and ASSIGNMENT
:
:

ALLOCATION: Pursuant to Local Civil Rule 40.1(a), I have allocated this action to TRENTON. Please file all pleadings and make all motions returnable there.

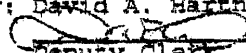
ASSIGNMENT: This action has been assigned to United States District Judge Anne E. Thompson for trial. Discovery and other non-dispositive matters have been assigned to United States Magistrate Judge John J. Hughes.

MEDIATION: You may consent to mediation of this action pursuant to Local Civil Rule 301.1. However, this matter may be referred to mediation by a judicial officer regardless of consent. See Attached.

MAGISTRATE JUDGE JURISDICTION: You may consent to conduct all proceeding, including trial and the entry of final judgment, before the United States Magistrate Judge in accordance with the provisions of 28 U.S.C. & 636(c).

NOTICE TO COUNSEL AND PRO SE LITIGANTS: The Court has directed that counsel and pro se litigants be advised that there will be STRICT ENFORCEMENT of Local Civil Rules 16.1 (pretrial conferences; scheduling; case management) and 26.1 (discovery). Sanctions may be imposed for failure to comply with the local rules and orders entered pursuant thereto. Sanctions may include dismissal of the action and suppression of the defense.

WILLIAM T. WALSH
CLERK

by: David A. Hartnett

Deputy Clerk

Date: 09/20/02

ENTERED
ON
THE DOCKET

OCT 03 2002

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

WILLIAM T. WALSH, CLERK
By SP
(Deputy Clerk)

SOMERSET TERMINAL RAILROAD
CORPORATION,

Plaintiff,

v.

JOSEPH HORNER, STANDARD
TERMINAL RAILROAD OF NEW
JERSEY, INC.,

Defendants.

Civil Action No. 3:02cv04524

ORIGINAL FILED

OCT 03 2002

WILLIAM T. WALSH, CLERK

ORDER OF REFERENCE

THIS MATTER having been opened to the Court by Rabinowitz, Trenk, Lubetkin & Tully, P.C., counsel to Defendant Joseph C. Horner; and the United States District Court for the District of New Jersey having received a timely Notice of Petition for Removal, pursuant to 28 U.S.C. §§ 1452(a) and 1334(b), of the proceeding entitled Somerset Terminal Railroad Corporation v. Joseph Horner, Standard Terminal Railroad of New Jersey, Inc. Docket No. SOM-C-12068-02 (the "Removed Proceeding"), currently pending before the Superior Court of the State of New Jersey, Chancery Division, County of Somerset and filed on or about August 27, 2002;

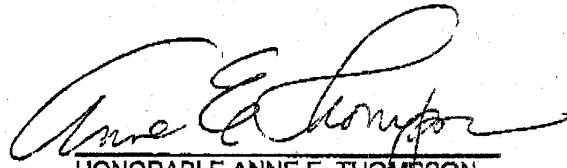
WHEREAS, on October 2, 2000, Bridgewater Resources, Inc., (the "Debtor") filed a petition under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of New Jersey, Case No. 00-60057 (the "Bankruptcy Case"), which is currently pending before the Honorable William H. Gindin, United States Bankruptcy Judge, and

WHEREAS, insofar as the Removed Proceeding is merely related to the Bankruptcy Case, and

WHEREAS, pursuant to the Standing Order of Reference from the United States District Court for the District of New Jersey dated July 23, 1984 all proceedings arising under Title 11 of the United States Code shall be referred to the United States Bankruptcy Court, and for other good and sufficient cause existing for the making and entry of the within Order;

IT IS on this 30th day of Sept., 2002;

ORDERED that the Removed Proceeding, now pending in the United States District Court for the District of New Jersey, is hereby referred to the United States Bankruptcy Court for the District of New Jersey, in connection with the pending Chapter 11 proceedings captioned Bridgewater Resources, Inc., Bankruptcy Case Number 00-60067(WHG).



HONORABLE ANNE E. THOMPSON
UNITED STATES DISTRICT JUDGE